



SIRIM QAS INTERNATIONAL SDN. BHD.
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,
Section 2, 40700 Shah Alam, Selangor, Malaysia.

File Ref: EB0500001

RSPO PUBLIC SUMMARY REPORT

CLIENT : BOUSTEAD RIMBA NILAI SDN BHD

PARENT COMPANY : BOUSTEAD PLANTATIONS BERHAD

RSPO MEMBERSHIP NO.: 1-0012-04-000-00

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):

(In the case of multisite certification, list additional sites in attachments)

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
Sungai Jernih Certification Unit	Sg Jernih POM	03° 21' 42"N	103° 06' 27"N	KM 70, Lebuhraya Gambang – Segamat, 26650 Pekan, Pahang Darul Makmur, Malaysia
	Sg Jernih Estate	03° 20' 17"N	103° 05' 59"N	KM 70, Lebuhraya Gambang – Segamat, 26650 Pekan, Pahang Darul Makmur, Malaysia
	Bebar Estate	03° 08' 4"N	103° 20' 17"N	KM 87, Lebuhraya Gambang – Segamat, 26700 Muadzam Shah, Pahang Darul Makmur, Malaysia
	Tabung Tentera - Terengganu Estate	04° 12' 10"N	103° 13' 59"N	KM 61, Jln Jabor – Jerangau, 24050 Kemaman, Terengganu Darul, Malaysia

MAP : See Attachment 1

AUDIT DATE : 2-5 July 2018

DURATION : 16 auditor days

TYPE OF AUDIT : ☒ Annual Surveillance Audit 2

☐ Recertification Audit

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014 (REVISED 14 JUNE 2017)

SCOPE OF CERTIFICATION: Production of Sustainable Crude Palm Oil and Palm Kernel Using the Identity Preserved Supply Chain Model

VALIDITY OF RSPO CERTIFICATE : 12 September 2016 to 11 September 2021

The following attachments form part of this report:

Non-conformity Report(s)

☒

List of additional site(s)

☐

Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : Mohd Zulfakar Kamaruzaman

Signature :

Date : 15 October 2018

Name :

Signature :

Date :

NURUL HANANI ABDULLAH

17/10/2018

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SUMMARY OF AUDIT

Stage 2 audit / Recertification audit				
On-site audit date	:	14 – 17 June 2016	No. of auditor days	: 13
Audit team	:	Mohd Hafiz Bin Mat Hussain (resigned), Mohd Zulfakar Bin Kamaruzaman, Amir Bahaari & Ruzita Abd Gani		
No. of major NCR	:	1 (RA01/2016)	Indicator: RSPO SC requirements 2014	Closing date :28/07/16
No. of minor NCR	:	2	Indicator : 4.4.3 and 6.5.3 of RSPO P&C MYNI 2014	
Indicate the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
	:	X		X
	:	Contract workers	NGOs	Govt. agency
	:			
	:	Indigenous people	Contractor	Others (Please specify)
	:	X	X	
Supply base sampled	:	Sg Jernih Estate and Bebar Estate		

Annual Surveillance Audit 1				
On-site audit date	:	18 – 21 July 2017	No. of auditor days	: 13
Audit team	:	Mahzan Bin Munap, Hazani Bin Othman, Mohd Norddin Bin Abdul Jalil, Mohd Zulfakar Bin Kamaruzaman		
No. of major NCR	:	3	Indicator: 4.1.1, 4.8.1, 6.5.3	Closing date : 20 October 2017
No. of minor NCR	:	1	Indicator : 4.1.2	
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
	:	√		√
	:	Contract workers	NGOs	Govt. agency
	:			
	:	Indigenous people	Contractor	Others (Please specify)
	:			
Supply base sampled	:	Tabung Tentera Terengganu Estate (TT – Terengganu Estate) and Bebar Estate		
Changes since the last audit	:	None		

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Annual Surveillance Audit 2				
On-site audit date	:	2-5 July 2018	No. of auditor days :	16 Auditor Days
Audit team	:	Mohd Zulfakar Kamaruzaman (LA), Selvasingam T. Kandiah, Rozaimiee Ab Rahman, Mohd Razman Salim		
No. of major NCR	:	6	Indicator: 4.7.2,4.7.3, 5.3.2,6.5.2, 5.8.1 (Supply Chain), D 4.2 (Supply Chain)	Closing date : 2 October 2018
No. of minor NCR	:	2	Indicator :5.6.3, 4.7.5	
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees	Settlers	Villagers / Local communities
		X		X
		Contract workers	NGOs	Govt. agency
				X
		Indigenous people	Contractors	Others (Please specify)
		X	X	
Supply base sampled	:	Sungai Jernih Estate, Bebar Estate, Tabung Tentera Terengganu Estate		
Changes since the last audit	:	None		
Justification of audit planning	:	Total allocation of auditor days for Sungai Jernih BU were: Mill = 4 days (3 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 12 days each for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title.		
Report approved by	:	Radziah Mohd Daud		Approval date : 15 October 2018

Annual Surveillance Audit 3				
On-site audit date	:		No. of auditor days :	
Audit team	:			
No. of major NCR	:		Indicator:	Closing date :
No. of minor NCR	:		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees	Settlers	Villagers / Local communities
		Contract workers	NGOs	Govt. agency
				X
		Indigenous people	Contractors	Others (Please specify)
Supply base sampled	:			
Changes since the last audit	:			
Justification of audit planning	:			
Report approved by	:			Approval date :

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SUMMARY OF INFORMATION

TABLE 1

	STAGE 2 /RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period	June 16-May 17	June 17- May 18	June 18-May 19		
Certified FFB Processed (MT)	118,867.86	122,800.00	157,100.00		
Production of Certified CPO (MT)	28,872.00	29,684.00	37,704.00		
Production of Certified PK (MT)	4,225.80	4,087.00	5,341.40		
Certified Areas (Ha)	6,847.00	6,847.00	6,847.00		
Planted Areas (Ha)	6,518.70	6,518.70	6,518.70		
Production Areas (Ha)	6,480.30	6,518.70	6,518.70		
HCV Areas	51.82	51.82	51.82		
REMARKS	Nil				

TABLE 2

	PO	PK
Last years certified volume (MT)	*30,447.06	*4,910.35
Last years actual certified sold (MT)	29,666.00	4,635.58
Last years actual sold under other schemes (MT)	-	-
Last years sold conventional (MT)	696.41	-
New year certified volume (MT)	37,704.00	5,341.40

*Refer to extension of volume for CPO & PK i.e. additional 763.06MT and 823.35MT from the certified volume, respectively. RSPO EB has approved the application on 2/10/2018.

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3.6	Other changes (e.g. organizational structure, new contact person, addresses, etc.)	10
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1.0 AUDIT PROCESS

1.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognized standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS) and the International Automotive Task Force (IATF). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and accredited by ASI on 27 September 2014.

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mohd. Zulfakar Kamaruzaman	Auditor Team Leader / Supply Chain & HCV	Holds a B.Sc. Forestry. He had several years of working experience in the oil palm operation. He is a qualified RSPO P&C and RSPO Supply Chain Lead Auditor.
Rozaimiee Ab Rahman	Auditor / Safety and Environment	Holds a B.Sc. in Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm operation. He is trained as an RSPO Lead Auditor.
Selvasingam T Kandiah	Auditor / GAP, Health & Safety related to plantation	Holds a B.Sc. (Hons) in Agriculture, he had work as a planter with Kumpulan Guthrie Berhad for more than 10 years including one year in Liberia and 2 years in Estate Department in Guthrie Headquarters. He is trained as an RSPO Lead Auditor.
Mohd Razman Salim	Auditor / Social & Time Bound Plan	Possessed B.Sc. Forestry (Hons) from University Putra Malaysia with more than 6 years of working experience in the Forest Management, forest, HCVF and ecology. He has a qualified RSPO Lead Auditor.

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1.3 Audit methodology

The audit covered the Sungai Jernih palm oil mill and its supply base, i.e. Sungai Jernih Estate, Tabung Tentera Terengganu Estate and Bebar Estate. The audit included an on-site audit to the estate, mill and settlers' houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors, local NGO's and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

Stakeholder consultation was carried out during the on-site audit. In general, there was no negative comments made against this Certification Unit.

1.5 Audit plan:

Refer to Attachment 2.

1.6 Date of next audit:

The next surveillance audit will be conducted within 12 months but not sooner than 8 months from this audit.

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

The Sungai Jernih Production Unit (hereafter referred to as SJPU) is a Certification Unit (CU) under the Boustead Rimba Nilai Sdn Bhd which is one of the subsidiary of Boustead Plantation Berhad. The CU was certified to RSPO P&C MYNI 2014 since 12 September 2011 by other Certification Body. The certification was transferred to SIRIM on 23 May 2016. SJPU consisted of the Sungai Jernih palm oil mill (SJPOM), Sg. Jernih Estate, Bebar Estate and Tabung Tentera –Terengganu Estate.

The palm oil mill commenced operations with a processing capacity of 30 metric tonnes of fresh fruit bunches (FFB) per hour.

2.2 Description of the Supply Base (including the planting profile)

The FFB sourced from company owned estates that are certified. Details of the FFB contribution from each source to the Lam Soon Palm Oil Mill are shown in the following tables:

Table 1: Actual FFB production by the supply base for the period from June 2017 to May 2018

Estates	FFB Production	
	Tonnes	Percentage (%)
Sg Jernih Estate	47,909.55	37.23
Bebar Estate	50,869.32	39.53
TT – Terengganu Estate	29,906.47	23.24
Total	128,685.34	100%

Table 2: Projected FFB production by the supply base for the next reporting period June 2018 to May 2019

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Sg Jernih Estate	61,284.71	39.01
Bebar Estate	57,310.08	36.48
TT – Terengganu Estate	38,505.21	24.51
Total	157,100.00	100%

Table 3: Actual FFB received and CPO & PK dispatch by Sungai Jernih POM for period from June 2017 to May 2018

	Total (MT)
FFB Received	128,685.34
FFB Processed	128,685.34
CPO Production	30,447.06
PK Production	4,910.35
CPO delivered as RSPO certified	29,666.00
CPO delivered as non-RSPO certified	696.41
PK delivered as RSPO certified	4,635.58
PK delivered as non-RSPO certified	-

Table 4: Projected FFB received and CPO & PK dispatch by Sungai Jernih POM of next reporting period June 2018 to May 2019

	Total (MT)
FFB Received	157,100.00
FFB Processed	157,100.00
CPO Production	37,704.00
PK Production	5,341.40
CPO delivered as RSPO certified	37,704.00
CPO delivered as non-RSPO certified	-
PK delivered as RSPO certified	5,341.40
PK delivered as non-RSPO certified	-

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Table 5 Planted and certified area of the Sq. Jernih Production Unit

Estate	Planted (ha)	Certified (ha)
Sg Jernih Estate	2572.2	2695.7
Bebar Estate	2262.5	2340.6
TT – Terengganu Estate	1684.0	1810.7
Total	6518.7	6847.0

Table 6 Planting profile for Sq. Jernih Production Unit

<u>Estate</u>	<u>Year of establishment</u>	<u>Mature (Ha)</u>	<u>Immature (Ha)</u>	<u>Planted area</u>	<u>% of planted area mature</u>	<u>% of planted area immature</u>
Sg Jernih Estate	2007	2572.2	-	2572.2	100%	-
Bebar Estate	1993	2262.5	-	2262.5	100%	-
TT – Terengganu Estate	1994	1684.0	-	1684.0	100%	-
Total		6518.7	-	6518.7	100%	-

Table 7(a): Planting profile for Sq Jernih Estate

Year of planting	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2007	Mature	214.5	8
2008	Mature	377.8	15
2009	Mature	388.2	15
2010	Mature	398.3	15
2011	Mature	401.7	16
2012	Mature	400.7	16
2013	Mature	391	15
TOTAL		2572.2	100

Table 7(b) Planting profile for Bebar Estate

Year of planting	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1993	Mature	9.3	0.4
1995	Mature	12.1	.0.5
2005	Mature	260.8	11.5
2006	Mature	246	10.9
2007	Mature	252.9	11.2
2008	Mature	341.3	15.1
2009	Mature	365.5	16.2
2010	Mature	293.7	13.0
2011	Mature	293.4	13.0
2012	Mature	149.1	6.6
2014	Mature	38.4	1.7
TOTAL		2262.5	100

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Table 7(c) Planting profile for TT - Terengganu Estate

Year of planting	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1994	Mature	32.2	2
1995	Mature	31.6	2
2001	Mature	404.6	24
2002	Mature	389.3	23
2003	Mature	375.7	22
2004	Mature	146.9	9
2008	Mature	155.8	9
2009	Mature	147.9	9
TOTAL		1684.0	100

2.3 Organizational Information/Contact Person

The details of the contact person is as shown below:

Name	:	Mr. Anuar Semail
Position	:	Sustainability Chairman
Address	:	Boustead Rimba Nilai Sdn Bhd Sungai Jernih Business Unit, KM 70 Lebuhraya Gambang Segamat Paloh Hinai, 26650 Pekan, Pahang
Phone no.	:	03-2145 2121 / 09-546 0792
Fax no.	:	03-2142 9164 / 09-546 0071
Email	:	anuar.bea@boustead.com.my / ssgjernih@gmail.com

3.0 AUDIT FINDINGS

3.1 Changes to certified products in accordance to the production of the previous year

There was no change to the certified products since last assessment.

3.2 Progress and changes in time bound plan (Refer to Attachment 7 for the time bound plan)

- i. Have all the estates under the parent company been certified? ☐ Yes ☒ No

If no, comments on the organization's compliance with the RSPO partial certification rules:

- ii. Are there any changes to the organization's time bound plan? ☐ Yes ☒ No

If yes, comment in terms of acceptance or non-acceptance on the changes in the time-bound plan?

The time bound plan for Boustead Plantation Berhad is provided in Attachment 7 of this report.

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iii.	Are there associated smallholders (including scheme smallholders) in the CU	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	If no, please state reasons Not applicable. There is no associated smallholders supplying FFB to the CU.				
iv.	Any new acquisition which has replaced primary forests or HCV areas	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	N/A				
3.3	Other changes (e.g. organizational structure, new contact person, addresses, etc.)				
	No				
3.4	Status of previous non-conformities *	<input checked="" type="checkbox"/>	Closed	<input type="checkbox"/>	Not closed*
	<i>* If not closed, minor non conformity will be upgraded to major non conformity</i>				
3.5.	Complaint received from stakeholder (if any)				
	No complaints from stakeholders were observed.				
4.0	DETAILS OF NON-CONFORMITY REPORT				
4.1	For P&C (Details checklist refer to Attachment 3) :				
	Total no. of minor NCR(s) (details refer to Attachment 4)	List : 2	RAR 01 2018, STK-02 2018		
	Total no. of major NCR(s) (details refer to Attachment 4)	List : 4	MRS 01 2018, RAR 02 2018, RAR 03 2018, STK-01 2018		
4.2	For SC (Details checklist refer to Attachment 5) :				
	Total no. of minor NCR(s) (details refer to Attachment 5)	List : -	N/A		
	Total no. of major NCR(s) (details refer to Attachment 5)	List : 2	MZK 01 2018, MZK 02 2018		
5.0	AUDIT CONCLUSION				
	The audit team concludes that the organization has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.				

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6.0 RECOMMENDATION



No NCR recorded. Recommended to continue certification.



Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs .



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.



Recommended to continue certification.



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s) which have not been satisfactorily closed out within 90 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 90 days shall result in the certificate being withdrawn.

7.0 IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.

Audit Team Leader :

MOHD ZULFAKAR
KAMARUZAMAN

(Name)



(Signature)

2/10/2018

(Date)

Map of Bebar Estate



Map of TT-Terengganu Estate



RSPO SURVEILLANCE AUDIT PLAN

SIRIM QAS INTERNATIONAL SDN. BHD.

1. Objectives

The objectives of the assessment are as follows:

- (i) To evaluate **Sungai Jernih BU** continued conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI) and RSPO Supply Chain Requirements
- (ii) To verify the effective implementation of corrective actions arising from the findings of last assessment.
- (iii) To make appropriate recommendations based on the assessment findings.

2. Date of assessment : 2 -5 July 2018

3. Site of assessment : Sungai Jernih Business Unit

- Sungai Jernih POM
- Sungai Jernih Estate
- Bebar Estate
- Tabung Tentera Terengganu Estate

4. Scope of Certification : Production of crude palm oil and palm kernel using **Identity Preserved** model

5. Reference Standard :

- a. RSPO P&C MYNI: 2014
- b. RSPO Certification Systems June 2007
- c. RSPO Supply Chain Standard, 2014
- d. Company's audit criteria including Company's Manual/Procedures

6. Assessment Team

Assessor: Mohd Zulfakar Kamaruzaman
Selvasingam T Kandiah
Rozaimee Ab Rahman
Mohd Razman Salim

If there is any objection to the proposed audit team, the organization is required to inform the Lead Auditor/RSPO Section Manager

7. Audit Method

Site audits including observation of practices, interviews with interested parties (all categories of contractors, employees, nearby population, etc.), documentation evaluation and evaluation of records.

8. Audit Findings

Audit findings shall be classified as major and/or minor. Major non- conformities shall be addressed within 90 days or else the certificate shall be suspended. If the major non- conformities are still not addressed within another 90 days, the certificate shall be terminated.

If there are five or more major non-compliances within one Principle found during the audit, immediate suspension of RSPO certification shall be recommended.

For minor non-conformities raised in the surveillance audit, corrective action shall be verified in the next audit. These shall be upgraded to major non- conformities if the corrective actions are not satisfactory implemented in the next audit.

9. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programmed, which is of confidential in nature other than information, which is in the public domain. In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

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10. Conflict of interest
Auditors have not been employed by the organization concerned nor provided consultancy services relating to the development of its system in the past five years and next five years.
11. Working Language : English and Bahasa Malaysia
12. Reporting
 - a) Language : English
 - b) Format : Verbal and written
 - c) Expected date of issue : 2 weeks after the closure of the Major NC / or if only minor NC, 30 days from the last day of this audit
13. Facilities Required
 - a. Room for discussion
 - b. Relevant document and record
 - c. Personnel protective equipment if required
 - d. Photocopy facilities
 - e. A guide for each group
14. Assessment Programme Details : As shown below

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Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Zaimee	Razman	Selva/Dzul
Day 1: 2 July 2018 (Monday)					
8.30am – 9.15am	Opening Meeting – Venue: LTTT Estate <ul style="list-style-type: none"> Audit team Leader - Briefing on assessment objectives, scope, methodology, confidentiality clarification, audit criteria and programmes Organization Representative - Briefing RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB supply bases , Time bound plan, actions taken to address previous audit findings. 	/	/	/	/
9.15am – 12.30pm	Site observation to LTTT Estate P1, P2, P3,P4, P5, P6, P7, P8 <ul style="list-style-type: none"> Good Agricultural Practice such as harvesting, spraying, POME application, IPM, New planting Land titles user rights Social aspects - SIA, management plan & implementation, workers' quarters, Stakeholder consultation with affected communities surrounding the CU Interview with gender committee, safety committee, worker representative, contractors, supplier, contractor ,etc Occupational safety & health aspects , chemical management Environmental management, waste & chemical management Interview with workers, contractors etc. Verification Inspection of protected sites with HCV attributes Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone 	/	/	/	/
12.30pm – 1.30pm	Lunch Break				
1.30pm – 5.00pm	Continue assessment at respective sites				
5.00 pm	End of day 1 audit				
Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Zaimee/Dzul	Razman	Selva
Day 2: 3 July 2018 (Tuesday)					
8.30am – 12.30pm	Site observation at Sungai Jernih POM P1, P2, P4, P5, P6, P8 <ul style="list-style-type: none"> Verification of basic information mill & estate Milling practice Legal compliance , Land titles user rights Occupational safety & health aspects , chemical management Environmental management, waste & chemical management RSPO Supply Chain 2017 RSPO Supply chain standard implementation including model requirements	/	/		
	Site observation at Bebar Estate P1, P2, P3, P4, P6, P7, P8 <ul style="list-style-type: none"> Good Agricultural Practice such as harvesting, spraying, POME application, IPM, New planting Land titles user rights Social aspects - SIA, management plan & implementation, workers' quarters, Stakeholder consultation with affected communities surrounding the CU Interview with gender committee, safety committee, worker representative, contractors, supplier, contractor ,etc 			/	/
12.30pm – 1.30pm	Lunch Break				
1.30pm – 4.45pm	Continue assessment at respective sites				
4.45pm- 5.00 pm	Team discussion , End of day 2 audit				

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Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Zaimee	Razman	Selva/Dzul
Day 3: 4 July 2018 (Wednesday)					
8.30am – 12.30pm	Site observation at Sungai Jernih Estate P1, P2, P3, P4, P6, P7, P8 <ul style="list-style-type: none"> • Good Agricultural Practice such as harvesting, spraying, POME application, IPM, New planting • Land titles user rights • Social aspects - SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the CU • Interview with gender committee, safety committee, worker representative, contractors, supplier, contractor ,etc 			/	/
	Site observation at Bebar Estate P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Verification-of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • Occupational safety & health aspects , chemical management • Environmental management, waste & chemical management • Interview with workers, contractors etc. 	/	/		
12.30pm – 1.30pm	Lunch Break				
1.30pm – 4.45pm	Continue assessment at respective sites				
4.45pm - 5.00 pm	Team discussion & End of day 3 audit				
Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Zaimee/Dzul	Razman	Selva
Day 4: 5 July 2018 (Thursday)					
8.30am – 12.30pm	Site observation to Sungai Jernih POM P1, P2, P6, P8 <ul style="list-style-type: none"> • Confirmation of time bound plan & review of partial certification • Social aspects - SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the mill • Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. 			/	/
	Site observation to Sungai Jernih Estate P1, P2, P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Verification of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • Occupational safety & health aspects , chemical management • Environmental management, waste & chemical management • Interview with workers, contractors etc. 	/	/		
12.30pm – 1.30pm	Lunch Break				
1.30pm – 3.00pm	Continue assessment at respective sites Verification on outstanding issues				
3.00pm – 4.00pm	Audit team discussion, preparation on audit findings and issuance of nonconformity report (if any)				
4.00pm -5.00pm	<ul style="list-style-type: none"> • Closing meeting – venue at Sungai Jernih Estate • Presentation of audit findings, positive comment, • Question & answer 	/	/	/	/

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Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	YES	The Sungai Jernih CU continued to implement the procedure for responding to any communication as outlined in their Estate/Mill Quality Management System documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records reviewed were correspondences with the authorities and employees. The CU continued to use internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances are available through Boustead Plantation website at http://www.bousteadplantations.com.my/home.html
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	YES	The estate had appointed personnel responsible for handling of complaints. Records of communication were maintained in different files depending on the stakeholder. Among the records reviewed were correspondences with the local authorities, local communities and employees. However, no request for information related to social matters from stakeholders since previous audit as verified by audit team.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1	Land titles/user rights;	YES	Land titles documents for Sungai Jernih CU were available at the estate's and mill's office.
		Occupational health and safety plans;	YES	Occupational health and safety plans were available at respective units. Cross refer criterion 4.7
		Plans and impact assessments relating to environmental and social impacts;	YES	Management documents of plans and impact assessments relating to environmental and social impacts were maintained available by the CU. Cross refer criterion 4.7.
		HCV documentation summary;	YES	Management documents of HCV documentation summary were maintained available by the CU.
		Pollution prevention and reduction plans;	YES	Pollution Prevention Plan had been established in the CU. Cross refer criterion 5.6
		Details of complaints and grievances;	YES	Management documents of pertaining complaint / grievance (i.e. "Borang Aduan"), internal and external grievances flowchart are maintained and available at the CU.
		Negotiation procedures;	YES	The negotiation procedure titled 'Fair Compensation" has been established. This procedure is applicable to all Boustead's BU. The procedure included the negotiation process.
		Continual improvement plans;	YES	Management document pertaining continual improvement on environmental and social aspects were maintained available by the CU, as contained in the related environmental and social action plan Cross refer criterion 8.1
		Public summary of certification assessment report;	YES	Available at SIRIM QAS website.

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		Human Rights Policy;	YES	A policy to respect human rights has been established by the CU. The policy was dated in Jan 2016. The policy was made available at the estate's and mill's office.
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	YES	Code of ethical conduct and integrity titled 'Code of Ethics & Conduct' has been established and distributed to all staffs and workers. All visited sites has briefed this policy to all workforce as verified through briefing records and interview with staff and workers.

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	YES	It was evident that Sg Jernih POM and the estates continue to comply with most of the applicable laws and regulations with regards to: <u>POM</u> <ul style="list-style-type: none"> MPOB License, Energy commission license, License for water usage and Permit to store diesel. Factory and Machinery Act 1967 i) Steam Boiler and Unfired Pressure Vessel 1970 ii) The Factories and Machinery (Notification, Certificate of Fitness and Inspection), Regulations, 1970, Regulation 10(2) CF for iii) Noise Exposure Regulations 1989 iv) EQ (Prescribed Premise) Crude Palm Oil Regulations 1977 v) As per requirement of Section 49A of EQA 1974, as well as clause 18 of Jadual Pematuhan, Sg Jernih BU has comply with the requirement on competent person for both the scheduled waste - CePSWaM and Effluent Pond-CePPOME. Air monitoring - Black smoke monitoring & Particulate matters. Scheduled Waste Regulations 2005 vii) OSHA 1994, Use and Standards Of Exposure of Chemicals Hazardous to Health Regulations 2000 <u>LTTT, Sg. Jernih & Bebar Estate</u> <ul style="list-style-type: none"> MPOB licensed, Air receiver tank, Perakuan penentuan timbang dan sukat and Energy Commission and Domestic Trade Ministry for storage of diesel.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	YES	SJBU continued to maintain Legal Registers which were regularly updated as and when new laws, regulations and orders were implemented. It was update on June 2018.

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	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	SJBU implemented a mechanism for ensuring compliance to its legal requirements. Any changes to legal requirements were monitored and updated accordingly in the LORR. The evaluation of compliance was carried out on an annual basis by the Assistant Managers of the respective site.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	The SJBU maintained to track any changes to applicable law and had appointed by OSH personnel from Sustainability Section, Planting Advisor Department, Boustead Estates Agency Sdn Bhd.
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised NCR land) and the actual legal use of the land shall be available. Major Compliance	YES	It has been verified that Boustead Sungai Jernih has bought the land of Sungai Jernih and Bebar estate from LKPP in April 1994, as Country Lease (Pajakan Negeri). It was previously owned by Pahang state Government and it was given to LKPP as one of Government Link Companies. Boustead has bought the land from LKPP. For LTT Terengganu, the Land was owned by Terengganu Government and bought by Persatuan Bekas Perajurit Malaysia in 1990. After that they changed their name to Tabung Angkatan Tentera Terengganu and then merged with Boustead on 1991 and the Estate has been managed by Boustead until now. Evidence of legal ownership of the land including history of land tenure was verified during this audit. Each estate was provided with legal use of the land through a Country Lease signed by the Director of Lands and Surveys of Pahang and Terengganu following the payment of premium. This document were made available by all the individual estates. Interviews with neighbouring villages confirmed that they do not have any issue on that. The land titles were for planting either oil palm or agricultural crops for economic value.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	YES	Physical markers such as boundary drain, pegs and boundary stones along the perimeter adjacent to the estate land and other reserves are available at site and visibly maintained. All estates have maps to indicate the locations of the boundary pegs.
	2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with FPIC. Minor Compliance	YES	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Sungai Jernih BU since 1990-1994. The audit team had confirmed that there were no land issues related to previous owners. The audit team has also interviews with nearby village representatives and from the interviews, it can be concluded that there was no evidence of any land dispute at Sungai Jernih BU.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance	YES	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Sungai Jernih BU since 1990. The audit team has also interviews with nearby village representatives and from the interviews, it can be concluded that there was no evidence of any land dispute at Sungai Jernih BU. There were no land issues related to previous owners.

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	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties. Minor Compliance	YES	As reported in 2.2.1, it has been verified that there is no conflict or dispute over the land. It has been further confirmed through interviews with village representatives.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	YES	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Sungai Jernih BU since 1990. The audit team had confirmed that there were no land issues and that there was no evidence that the oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights shall be developed through participatory mapping involving affected parties (incl. neighbouring communities where applicable, and relevant authorities). Major Compliance	YES	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Sungai Jernih BU since 1990. All the related documentation regarding the land acquisition was kept in Boustead HQ Office and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate. Hence, there was no map showing the legal, customary, or user right of other users since 1990.
	2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and	YES	It has been confirmed that there was no land dispute issue with any of the neighbouring private oil palm plantations. As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Sungai Jernih BU since 1990. All the related documentation regarding the land acquisition was kept in Boustead HQ Office and the copy in the estate was verified by the auditor

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		social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	YES	As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator does not apply to Sungai Jernih BU.
	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	YES	As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator does not apply to Sungai Jernih BU.

Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	Sg.Jernih Business Unit continued to achieve long term economic and financial viability through documented management plan projected to year 2023. Since there is no smallholders in this Business Unit, therefore a business case for scheme smallholders is not considered. A Management Plan including crop forecast, capital expenditure, operational expenditure, general charges, profit and loss covering the period of 2018 to 2023 had been prepared for all the estates as well as the POM and made available to the audit team. This plan had also included mature area and also for the expected FFB production per hectare for the period 2018 to 2023.
	3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance	YES	All 3 estates had replanting programs in place (2018 to 2023). However, on Sungai Jernih Estate, there will be no replanting due in the near future. On TT-Terengganu Estate 55.4 Ha was programmed for 2019 and on Bebar Estate 30.1 Ha was programmed for 2018.

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Principle 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings		
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES	SJBU has developed several manuals for its use. Among them were Standard Operating Procedure (SOP) dated in May 2012 that provide guidelines to staff members in respect of certain major aspects of Estate and Mill operations. It contained 15 chapters as follows:		
				Chapter No	Chapter Heading	Subject
				1	Administrative Procedure	1.1 Internal Office Control 1.2 Changes in Management
				2	Financial Procedures	Checkroll Payments Remittance from Head Office Petty Cash Miscellaneous
				3	Field Contracts	3.1 New Planting/Replanting Contracts 3.2 Replanting Existing Crop 3.3 Field Maintenance Contract
				4	Capital Contract	1.1 Type A Contract 1.2 Type B Contract
				5	Engineering Works	5.1 Engineering Works
				6	Stores Procedures	6.1 Responsibility for Stores 6.2 Ordering of Stores 6.3 Receiving of Goods 6.4 Invoices 6.5 Issues of Stores 6.6 Bulk Purchases through Head Office 6.7 Accounting Procedures on Stores 6.8 Payment of Suppliers
				7	Sales of Produce Ex-Estate/Mill Procedures	7.1 FFB Sales and Despatches 7.2 Sales and Despatch of CPO & PK 7.3 FFB, CPO and PK declaration 7.4 Month-end calculation of oil & kernel in process
				8	Insurance	8.1 Policies and type 8.2 Policy Renewal 8.3 Insurance Claims – Renewal 8.4 Retention of Policies

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				9	Annual Estimates	9.1 General 9.2 Preparation of Budget 9.3 Completion of estimates by Head Office 9.4 Additional/(Minus) Votes 9.5 Quarterly Crop Return
				10	Computer Control	10.1 Data capture 10.2 Processing 10.3 Subsequent Amendments 10.4 Back-up of data 10.5 Changes to Program 10.6 Control Totals 10.7 Sequence of Processing 10.8 Computer Operations and Coding manual 10.9 BAARMIS
				11	Monthly/Periodical Requirements	11.1 Submission deadlines 11.2 Cut-off dates for monthly accounts 11.3 Documents for monthly account 11.4 Monthly account for Head Office Checking 11.5 Monthly progress report 11.6 List of monthly submissions of return 11.7 Area Statement
				12	Financial Year-end Requirements	12.1 List of documents 12.2 Provision Account 12.3 Bank reconciliation statement 12.4 Unclaimed Wages 12.5 Inter Estate/Mill Balance 12.6 Annual Report
				13	Retention of Documents	
				14	Sundries	14.1 Staff transport allowance 14.2 Staff motorcycle loan 14.3 Children education transport allowance subsidy 14.4 Electricity supply 14.5 Mill security

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						14.6 Weighbridge security 14.7 Bulk tanks 14.8 Sales of palm oil mill by-products; sludge oil and excess pal kernel shell 14.9 Shipment of personal belongings
				15	Foreign Workers Expenses	15.1 Introduction 15.2 Definition 15.3 Policies and Accounting treatment
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	YES	The mechanism to check consistent implementation of procedures remained the same. Implementations were monitored through on-site visits like Agronomist visits, PA visits, inspections and discussions with relevant personnel and by internal audits and RSPO audits.		
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	Records of monitoring and the actions taken by the CU were maintained and kept for a minimum of 12 months. The following were observed during the audit: Monitoring of the SOP implementation at estates visited was closely carried out by person-in-charge. Among the records verified were work programmes for major activities at the estates such as field cost book, chemical usage form, mature oil palm work programme for fertiliser application, herbicide spraying, rat baiting, harvesting and collection of FFB.		
	4.1.4	The mill shall record the origins of all third-party sourced FFB. Major Compliance	YES	Auditor has verified that there was no third party FFB supplier send their FFB to Sungai Jernih POM. The CU is certified under the Identity Preserved supply chain model. Hence, this indicator is not applicable.		
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	Sg.Jernih BU continued to implement the good agriculture practices as per Oil Palm Circular Manual (O.P.C.) to ensure optimal and sustained yield.		
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Sg.Jernih BU continued to monitor their fertilizer inputs as recommended by their agronomist from 3 rd party. The records of the fertiliser inputs were maintained in the Fertilizer Application Record Book 2017 and the Bin Card.		
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	Periodic foliar and soil sampling were carried out by the 3 rd party and its result formed part of the basis for the fertilizers input recommendation. Foliar samplings and Soil sampling were carried out in April and May 2018 respectively.		
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB),	YES	All 3 Estates continued to have a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose and EFB applied. EFB was applied at 40 tons /Ha/year in single layers in plots between palms. Records of application and maps were reviewed by the audit team.		

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		Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance		
C 4.3 Practices minimize and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	YES	During the field visit and cross referenced to the soil map provided it was observed that no fragile or marginal soils was found in Sg.Jernih BU.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	YES	Sg.Jernih BU had a management strategy in place for plantings on slopes between 9 and 25 degrees. This policy was in the OPC dated in August 2001 and all 3 estates complied with it.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	During the field visit, it was observed that the main and field roads of Sg.Jernih BU were in satisfactory condition and accessibility were made possible by regular maintenance.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	YES	There were no peat soils in all 3 estates visited.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	YES	NA as there were no peat soils in all 3 estates visited.
	4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	YES	NA as there were no fragile and soils problem in all the 3 estates visited.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place. Minor Compliance	YES	Water Management Plan for Sg.Jernih BU was made available to the audit team. The Management Plan was developed in order to maintain the quality and availability of natural water resources by practicing efficient water consumption through various methods. In the Water Management Plan, the BU has also identified actions to be taken in the event of water supply shortage, though both estates received supply of piped treated water from the local state authorities for the domestic consumption.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones shall be demonstrated. Major Compliance	YES	On TT Terengganu Estate it was observed that buffer zone along Sg Jernang was maintained. There buffer zone signage was maintained and no agriculture chemical-based activities were observed in the buffer zone. On Sungai Jernih Estate water analysis for Sungai Temiang and Sungai Jernih was conducted by Felda Palm Industries Sdn Bhd. Test results were verified.

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	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations. Minor Compliance	YES	<ul style="list-style-type: none"> •Treated effluent is allowed to be discharge as land irrigation using sprinkler application system. •Analysis of the final discharge was carried out on monthly basis. Review of the results indicated that all parameters were within the regulatory limit sighted latest report has been submitted to DOE accordingly.
	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	YES	Water usage were monitored and recorded. Total water usage for year 2017 was 0.88 water (m ³) / FFB. Sighted highest consumption of water per FFB for 3 consecutive months related to cleaning process has been conducted.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	YES	Sg. Jernih BU continued to monitor the Implementation of Integrated Pest Management (IPM) plans. The estate had in place documented the IPM plan which covered monitoring of pest, control of pest population levels at below threshold levels by using cultural, biological, physical/mechanical and use of pesticides. The plan was guided by their internal established SOPs.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	YES	It was evident that the training related to IPM implementation was conducted.
C 4.6 Pesticides are used in ways that do not endanger health or the environment	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	YES	Justification of the use of pesticides had been documented. The use of selective products that are specific to the targeted pest, weed or disease had been defined in the SOP. The Manual had included a chemical register list which indicates the purpose of usage (intended target), hazards signage, trade and generic names.
	4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance	YES	Sungai Jernih BU continued to record areas where pesticides were used. Pesticides were used only when justified and as programmed. Records of pesticides used by area, quantity used, hectares applied, LD 50 and Ai/Ha were made available to auditors. Records were found in store issue chits, bin cards, program sheets, SAP system, field cost books and progress reports.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	YES	Sg.Jernih BU is committed to minimise the usage of agrochemicals by implementing IPM with the increased in the planting of beneficial plants such as <i>Tunera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> . Blanket spraying is also not practiced by the BU and soft grasses were maintained in the field. It had also been the practice that insecticides and rat baits are used only after a threshold level has been exceeded as per the SOP and that no prophylactic use of such pesticides would be permitted.

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	4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance	YES	There was no evidence to show that Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, were used in all 3 estates visited. The Estates had used only Class III and Class IV chemicals. All the pesticides used were those registered under the Pesticides Act 1974 (Act 149).
	4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers. Major Compliance	YES	Records showed that pesticides were handled by trained persons and used as per the MSDS/SDS of the pesticide, CHRA and HIRARC. As mentioned under Indicator 4.6.1, the estate had the SOPs for the use of pesticides. The staff and workers such as the storekeepers, sprayers and those workers apply the fertilizer were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS/SDS training. It was also noted that MSDS/SDS are available at all sites during the audit. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issuance and replacement records were verified by the auditors. It was also observed that PPE was used by workers working in the fields. From the interviews with the workers and staffs in the fields and stores clerk, it was demonstrated that they had been trained and were aware of safe handling procedures.
	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and	YES	The chemical stores in all 3 estates was observed to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. The stores were equipped with exhaust fans and secured through locks which were kept by the store keeper. Only authorized personnel were allowed to handle the chemicals. The chemicals were stored and segregated accordingly and fertilizers were well stacked. Relevant MSDS/SDS were available in the stores. Adequate 'Safety Signage' have been placed in the store. Proper premixing area, eye wash bottles and washing area were provided. All empty pesticides containers were disposed to Kualiti Alam Sdn Bhd.

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		Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance		
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	Sungai Jernih BU continued to apply pesticides by proven methods that minimise risk and impacts. Application of pesticides was based on and guided by CHRA, MSDS/SDS supplied by the manufacturer, OPC Manual and Safe work procedure Manual.
	4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	YES	Aerial spraying was not practiced at all Sungai Jernih BU estates and there was no evidence to show that this has been carried out.
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. Minor Compliance	YES	Training on pesticide/chemical handling for employees was continuously carried out at all 3 estates of Sungai Jernih BU. The trainings included the safety aspects and usage of PPE when handling with pesticides and herbicides. There were no associated small holders in Sungai Jernih BU. From interviews with the staff and workers such as the storekeepers and workers who applied fertilizers, it was evident that they have been trained and understood the hazards involve and how the chemicals should be used in a safe manner.
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated. Minor Compliance	YES	The Sungai Jernih BU waste management and disposal plan had included identifying and monitoring sources of waste and pollution. Interviews with workers revealed that they understood the method to dispose scheduled wastes. EFB was sent to estate for mulching; recycle waste (plastic, paper, aluminum and glass) were segregated and sent to the recycle waste dealers while domestic waste was disposed at landfills. Disposal of waste materials related to pesticide containers were being carried out as per established procedures. Triple rinsing activities for empty pesticide containers was continued to be implemented. The rinsed containers were pierced and stored prior to disposal and the estate considered them as scheduled wastes.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	YES	Pesticide applications were guided by Boustead Plantations Berhad OPC manual, CHRA and by MSDS supplied by the manufacturer. Medical surveillance carried out by 3 rd party.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	YES	There was no evidence of pregnant or breast-feeding women sprayers being used in Sg. Jernih BU.

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<p>C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	YES	<p>An Occupational health and safety policy dated in June 2012 has been communicated to all levels of employees of the organization. The communication was carried out through briefings and displayed prominently on the notice boards at the mill, estate offices and Muster Ground. The policy is available in both Bahasa Malaysia and English. Random interviewed with the employees showed that they generally understood the basic requirements of the policy.</p> <p>An Occupational health and safety (OHS) management plan titled 'Safety Program 2017' for Sg Jernih POM & estate and Bebar Estate dated in Jan 2018. The plan included issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc. Generally, the OSH plans were acceptable</p>
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	NO	<p>The hazard identification, risk assessment and risk control (HIRARC) procedure has been established. LTTT Estate have conducted the risk assessment on all its operation as well as determining their control measures. Last review was carried out in Jan 2018. The same goes for SG. Jernih. However it was found that, Risk assessment related for bee sting was not conducted for harvesting operation. At Tabung Tentera Terengganu Estate for year 2017 (4 cases) and year 2018 (2 cases) and the bee sting was recorded. Unfortunately, no updated Risk assessment was recorded. Thus, NCR Major RAR 02 2018 was raised.</p>
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	NO	<p>All staff and workers such as the storekeepers, sprayers, workers applying fertilizer and rat baits were continuously trained and random interviews conducted showed that they had understood the hazards involved and the usage and handling of chemicals in a safe manner. However these non-compliances were found at the estates resulted in the issuance of NCR Major STK-01 2018:</p> <p>LTT Terengganu Estate:</p> <ol style="list-style-type: none"> A set of oxygen and acetylene cylinders in the workshop did not have "flash back arrestors". Workers applying fertilizer in Field 03G were not wearing aprons as per recommended in CHRA. <p>Bebar Estate: The belting of the water pump in the oil palm nursery was not protectively covered.</p> <p>Sungai Jernih Estate: Workers observed spraying in Field 09C were not wearing goggles and the correct mask as recommended in the CHRA.</p>
	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	YES	<p><u>Estates</u></p> <p>Occupational Safety Health and Environment (OSHE) Committee has been established. The OSHE committee organisation chart for 2018/2019 was available. The estate manager is the chairman and the Hospital assistant is the secretary. OSHE Committee meetings were held. Review of the minutes of the meeting confirmed that among the agenda discussed, included the following:</p> <ul style="list-style-type: none"> - Passing of previous minutes and arising matters. - Accident report (Monthly Accident statistics) - Estate Inspection Report - Safety and environment report and programme <p><u>Sg Jernih POM</u></p> <ul style="list-style-type: none"> • Chairman = Mill Manager

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				<ul style="list-style-type: none"> Secretary = assistant manager OSH meeting minutes verified.
	4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	NO	Accident and emergency procedures were available in OSHA Manual. Emergency situations identified were fire, explosions, and medical emergencies, uncontrolled release of hazardous substances, security threats and floods. Interview with field workers and staffs revealed that they were aware and understood the established procedure. The estate shall test their emergency response plans at least annually. The fire drill training conducted with Jabatan BOMBA was conducted on in March 2017 at Sg Jernih POM. However, it was found that at Bebar Estate, the first aid box at the workshop contained 2 expired first aid medication. And at Sungai Jernih Estate, First aid equipment was not available at the spraying and EFB application worksites. Therefore Minor NCR STK-02 2018 was raised against the indicator.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	Local workers are covered by SOCSO (Pertubuhan Keselamatan Sosial). The 'Jadual Caruman Bulanan' for May 2018 and June 2018 were reviewed for the following workers: Foreign workers at LTTT Estate, Sg Jernih POM (foreign workers was not available) were covered by Workmen Compensation provided as per Compensation Act 1952 through Allianz General Insurance Company (Malaysia) Berhad and RHB Insurance Berhad.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	<p><u>LTT T Estate</u> As of todate in 2018, only 9 minor accidents were recorded and were without losing of working days. For year 2017, 1 major (41-day MC) accident has been reported regarding on motorcycle accident occur on 20/11/2017. Sighted form JKPP 6 has been submitted to DOSH department on 26/11/2017, accident investigation carried out and HIRARC has been revised by OSH committee immediately after the accident. JKPP 8 also noted has been submitted to DOSH on 15/01/2018.</p> <p><u>Sg Jernih POM</u> For year 2017 there was no accident has been recorded. Only 15 incident hearing impairment has occurred. Sighted JKPP 8 form has been submit and reported to DOSH department on 30/01/2018. For year 2018 1 major accident (MC 5 days) occur at workshop area. OSH committee immediately conducted the inspection related to the accident. JKPP 6 has submitted to DOSH on 30/04/2018 soon after the accident.</p> <p><u>Bebar Estate</u> As year 2017 only 1 major accident has been recorded with MC more than 5 days. Sighted JKPP 6 has been submit by BU to DOSH department immediately after accident occur. JKPP 8 has been submitted on 12/01/2018.</p> <p><u>Sg Jernih estate</u> For year 2017, 4 minor accidents (MC below 4 days) has been recorded. Accident record has been submitted to DOSH department on 25/01/2018.</p>
C 4.8	4.8.1	A formal training programme shall be in place that covers all	YES	Formal training programmes for 2018 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors by the Sungai Jernih POM and all estates.

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All staff, workers, smallholders and contract workers are appropriately trained.		aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance		<p>Training Plan was established. Training needs identification matrix has been established with target dates for the training to be conducted. The training program includes ESH Legal & Other requirements, Safe handling of Electrical Equipment, Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000, Accident Investigation Techniques, Emergency Respond Plan Training (e.g chemical spill, poisoning, fire, lightning), First Aid, Scheduled waste management, Safe Work Procedure for All Stations, Confined Space, Policy, MSDS, Harvesting & Pruning, Manuring and Workshop. Auditor has verify the training program was included:</p> <ul style="list-style-type: none"> Hazard Identification, Risk Assessment and Risk Control - sighted 2 staffs has attend course on understanding, evaluating and implementing effective HIRARC at workplace conducted by NIOSH Malaysia on 18-20/04/2017. Environmental Aspect and Impact Assessment - has been conducted on 05/06/2018 Accident Investigation and Root Cause Analysis - sighted effective safety and health committee training has been conducted by Shenvirohall Sdn Bhd on 25-26/09/2017 for 8 staffs. Understanding of applicable Legal Requirements, example EQA 1974, Employment Act 1955, Minimum Standards of Housing and Amenities Act 1990, etc. - sighted in house training with MAPA has been conducted related to understanding on labour laws (employment act & minimum wages), handling sexual harassment in workplace, and workers minimum housing standards of housing and amenities act 1990 on 08/02/2018. Working with Scaffolding - sighted application letter to attend scaffolding training on 06-15/08/2018 with NIOSH.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	YES	Sungai Jernih BU continued to maintain records of trainings for its employees. Some of the latest training verified were:

Principle 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to	5.1.1	An environmental impact assessment (EIA) shall be documented. Major Compliance	YES	Boustead Sg Jernih BU has established its environmental aspects/impacts register associated with their activities. The environmental aspect and impact (EAI) covers the upstream activities such as FFB reception until the downstream processes. At the mill, the identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental receptors are the air emission from the boiler stack, the generation of the palm oil mill effluent (POME) and land contamination which related to the management of scheduled wastes and domestic waste. For the estate operation, all activities from harvesting, manuring, weeding, nursery, pest and disease, upkeep programme until delivery to mill has been identified.
	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be	YES	For all estates visited, Mitigation measures of significant aspects that could negatively affect the environment maintained implemented as per established "Environmental Management Programmes (EMP)" plans. The plans among others contain actions, responsibilities and timetable.

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demonstrate continual improvement.		developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/s. Minor Compliance		
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	YES	The plans among others contain actions, responsibilities and timetable. The plans were reviewed annually by the management. Among content of plans were: <ul style="list-style-type: none"> • reduction of diesel usage / GHG emission. • reduction of POME generation. • maintain water quality. • reduce soil erosion. • reduce usage of chemical. • reduce land contamination. • improve soil fertility. • reduce waste. • reduce smoke emission
C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.	5.2.1	Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape-level considerations. Major Compliance	YES	The report "A Rapid High Conservation Value Assessment of Sg Jernih Business Unit (Peninsular Malaysia) Identification of High Conservation Values" is available. The study was conducted by 3 rd party and the report was completed in August 2010.
	5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	YES	Based on the assessment conducted, the audit team notes that the consultant has concluded "due to the increase in public certification, increased job opportunities and new road access in and out villages, most of the surrounding forests are deemed as secondary sourced of income, food source and medicine. And another one, aside from farming as a form of sustenance and sourcing wood for sale, villagers also consider the land sacred as there is a burial plot located in their rubber plantation, they wish to keep their land as a heritage to be passed down to future generations". Nevertheless, the consultant has outlined several recommendations for biodiversity and landscape management by estate among others include the following: <ul style="list-style-type: none"> • To keep record of hunting incidents, including location, identity of hunters, the number of species killed or captured and action taken. • To implement a simple system for monitoring the health of waterways, before and after establishment of riparian zones. This should include some measure of sedimentation and of overall ecological health. • To monitor water quality flowing into and out of the estate. • To document riparian zone establishment programme; keep records of tree species and numbers planted, survival rate, lesson learnt.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE	YES	A training programme for year 2018 was available.

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		species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance		
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the action plan. Minor Compliance	YES	Sg Jernih CU is committed to discourage any illegal or inappropriate hunting or collecting activities. Evidence was seen during the site review that signage to prohibit hunting was erected at Riparian Zone and border. The estates have also hired guards to patrol and check for illegal hunting and to prevent elephant going into estate and also controlling the illegal activities.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance	YES	There was no local communities living nearby with Sg Jernih CU. So, this indicator was not applicable with this CU. Noted also that the forested area in the LTT Terengganu estate was set-aside by the Land Department, Terengganu.
C 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	YES	At Sg Jernih BU waste management plan has been recorded under file "identification of waste products" among of waste products and sources. It has been properly identified and documented.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	NO	Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were washed at washing station prior to disposal. Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory and consignment documents verified for confirmation of proper management and disposal. <u>LTTT & Bebar estate</u> The scheduled wastes generated at estate were stored more than 180 days. Thus, Major NCR RAR 03 2018 has been raised.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	YES	Waste management plan has been recorded on same file under "identification of waste products" among of disposal method plan were: <ul style="list-style-type: none"> Chemical container, lubricant, oil filter – used containers will be triple rinsed, and store at schedule waste store and disposed to approved DOE contractor.

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				<ul style="list-style-type: none"> Human waste – ensure septic tank and system working and regular inspection has been carried out regularly. Recyclable items such as paper – collected separately and stored at recycle store and sell to disposed collector. Domestic waste – has been disposed to landfill area located far from river and linesite area. Palm biomass – burying and left to decomposed at site as a additional nutrient for palms.
C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance	YES	Fossil fuel usage reduction has been included under pollution prevention plan 2017/2018.
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Major Compliance	YES	There was no land preparation in Sg.Jernih BU by burning ever since Boustead Plantations Berhad practice zero burning as per the policy dated Jan 2011.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Minor Compliance	YES	There was no evidence that fire had been used to prepare land during the last oil palm replanting in all 3 Estates visited.
C 5.6 Preamble Growers and millers commit to reporting on operational GHG emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate / soot emissions and effluent (see Criterion 4.4).	YES	The "Environmental Aspect & Impact Assessment Identification (EAI)" had included assessment of gaseous emissions, particulate/soot emissions and effluent.
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	YES	The "Environmental Aspect & Impact Assessment Identification (EAI)" had included significant environmental aspect of greenhouse gas (GHG). Plans to reduce the GHG had been documented in "Plan for Improving Fossil Fuel & Palm GHG FY 2017/18". The plan observed being implemented. Among other, the plan contain source of usage, means to reduce usage, and monitoring. Among actions observed were, periodical maintenance of tractor and power generator, application of organic material (biomass) as fertiliser.

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knowledge and methodology. It is also recognized that it is not always feasible or practical to reduce or minimise these emissions. Growers and millers commit to an implementation period until the end of Dec 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including GHG, are developed, implemented and monitored.	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance	NO	<p>Sungai Jernih BU had used RSPO Palm GHG version 3.0.1 Calculator as a tool to calculate the GHG emissions. The CU has used Option 1to calculate the data. The input data was verified and the following were determined:</p> <ul style="list-style-type: none">• emission sources• estate emission• mill emission <p>However, Wrong data input for 2017 GHG calculation such as total diesel consumption. Thus, minor NCR RAR 01 2018 has been raised.</p> <p>Amendment data by CU: <u>Summary of net GHG emissions from PalmGHG calculator</u></p> <p>PalmGHG calculation option used: Option 1</p> <p><u>Summary of Net GHG Emissions</u></p> <table><tr><th>Emissions per Product</th><th>tCO2e/tProduct</th></tr><tr><td>CPO</td><td>1.05</td></tr><tr><td>PK</td><td>1.05</td></tr></table> <table><tr><th>Extraction</th><th>%</th></tr><tr><td>OER</td><td>23.75</td></tr><tr><td>KER</td><td>3.89</td></tr></table> <table><tr><th>Production</th><th>t/yr</th></tr><tr><td>FFB Processed</td><td>127,802.90</td></tr><tr><td>CPO Produced</td><td>30,353.19</td></tr></table>	Emissions per Product	tCO2e/tProduct	CPO	1.05	PK	1.05	Extraction	%	OER	23.75	KER	3.89	Production	t/yr	FFB Processed	127,802.90	CPO Produced	30,353.19
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FFB Processed	127,802.90																					
CPO Produced	30,353.19																					

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Land Use	ha
OP planted area	6518.10
OP planted on peat	0
Conservation (forested)	95.62
Conservation (non-forested)	0
Total	6613.72

Summary of Field Emissions and Sinks

Own Crop		
	tCO2e	tCO2e/tFFB
Emissions		
Land Conversion	61887.79	8.12
*CO2 Emissions from Fertiliser	7101.92	0.8
**N2O Emissions	5706.16	0.74
Fuel Consumption	618.02	0.37
Peat Oxidation	0	0
Sinks	-61020.71	-8.87
Crop Sequestration	-876.83	0
Conservation Sequestration	13416.35	1.16
Total	61887.79	8.12

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Summary of Mill Emissions and Credits

	tCO2e	tCo2e/tFFB
Emissions	22376.09	0.18
POME	1039.96	0.01
Fuel Consumption	0	0
Grid Electricity Utilisation	0	0
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	23416.05	0.18
Total	22376.09	0.18

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0%
Divert to anaerobic digestion	100%

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100%
Divert to methane capture (flaring)	0%
Divert to methane capture (electricity generation)	0%

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Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	YES	A Social Impact Assessment report dated in August 2010 was made available during the audit titled 'Addressing the Social Dimensions of Oil Palm Developments in Boustead Plantations'. The assessment had covered all the 3 estates and mill in the CU. The report has covered on stakeholder mapping, wages and decent living wage, employment conditions, living conditions, health & safety in the workplace, public health & safety, respect for human rights, communication with management, and community relations. The meetings was conducted with all significant stakeholders, .e.g. local communities, neighbouring estates, neighbouring schools, relevant government agencies, contractors, suppliers, etc. The meetings had discussed relevant social aspects.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	YES	The SIA assessment was carried out in June 2010 with workers, clinic attendant, independent smallholders, small growers and nearby communities. All records of meetings, consultation takes place during the SIA is incorporated in the report. List of the stakeholders consulted was also included in the report.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, incl. responsibilities for implementation. Major Compliance	YES	Plans for mitigation of negative impacts have been established. A timetable with responsibilities for mitigation and monitoring was reviewed and updated accordingly. Specific person in charge (PIC) has been identified and be responsible for taking actions on each of the mitigation measures with specific time intervals. Stakeholders meeting were held by the CU to gather inputs during the process of reviewing and updating the Management Action Plan for SIA 2018. The monitoring records were verified at Ladang Tabung Tentera, Sg Jernih Estate, Bebar Estate and Sg Jernih POM.
	6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. Minor Compliance	YES	The plans was reviewed on yearly basis and updated as necessary.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance	YES	There is no smallholder schemes related with the CU.

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C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	YES	The CU has established a procedures in order to comply with the requirement and it describe the procedures and mechanism to be taken should any stakeholders (either external or internal) wish to communicate with the company on any issues concerning their interest.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	YES	Management officials responsible for handling of social issues have been identified and appointed. Appointment letters have been sighted during the audit.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	YES	List of stakeholders that may be relevant to the company's operation including local communities, local authorities and NGOs has been established and updated for year 2018 as verified at Ladang Tabung Tentera, Bebar Estate, Sg. Jernih Estate and Sg. Jernih POM. Evidence of participation of the stakeholders were available in signed attendance list as well as photographs showing evidence of the consultation that had took place. The minutes of the meeting of the consultation were also maintained.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties	6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance	YES	The Sg Jernih CU maintained affirms that its dispute system is open to any affected parties. Relevant policy titled 'Polisi Pemberian Maklumat (Whistleblowing)' and procedures were available. In accordance with the procedure, the anonymity of complainants and whistleblowers will not reveal to third parties.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	YES	Complaints on housing and other services were usually entered into record form. The records include the name of the person who complained, his address, date, and type of service required. Visits to the line sites at Ladang Tabung Tentera, Sg Jernih Estate, Bebar Estate and Sg Jernih POM confirm that actions were taken on the complaints made by the workers. Complaints from employees were usually pertaining to housing conditions, water tank, toilet, roads and lighting.
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	YES	All records of (internal and external) complaints and grievances were kept within the grievance/request record book/ Borang Komunikasi Luaran as well as in gender committee folder and workers union folder.
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights,	YES	As mentioned in 6.4.1, the CU has established a procedure for calculating the compensation. The process and outcome of any compensation claims is documented and made publicly available. There had not been any other issue of land claims involving the estate.

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		ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance		
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	YES	There was no issue raised related to the compensation claims at Sg Jernih CU. This was verified during interview with the villager representatives.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES	Pay slip for sprayer, harvester and nursery workers was verified by auditor. The wages has followed the Minimum Wages Order 2016 where they are paid at RM38.46 per day with a total of RM1,000 per month (minimum).
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	NO	The employment contract is in Bahasa for local and foreign workers. However, the pay slip is in English and its computations are quite complicated. The CU has explained the pay slip to the workers. Employment contract of foreign worker clearly stated the working hours, employee provident fund (for local only), annual leave, medical benefits and sick leave, insurance scheme, retirement, and etc. During interviewing the local workers and foreign as mentioned in 6.5.1, they were understood the content of their contract of employment and pay slip statement. Noted that the audit team has found that contract agreement for contractor's employees at Bebar Estate and Sg. Jernih Estate did not stated in detail entitlement for workers as per MAPA agreement such as holiday entitlement, sickness, termination clause and overtime. Contract agreement for 2 workers (AT976079 and B2714626) dated in Jan 2018 at Bebar Estate didn't stated holiday entitlement, sickness, termination clause and overtime. While at Sg. Jernih Estate, contract agreement for 3 workers (AT 918883, AT 996576 and A 8256854), also didn't stated termination clause and overtime. Thus, a Major NCR MRS 01/2018 was raised.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). Minor Compliance	YES	Sg Jernih POM, Ladang Tabung Tenera, Sg Jernih Estate and Bebar Estate have provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with the Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). For local workers, children 4 years old and below are staying at 'Tabika Kemas' Kindergarten until their parent finish their job. Transportation is provided for local children from their house to the nearby Government schools. The CU still maintains its policies on housing, water and electricity supply as reported in the previous audit. Electricity and water bills were subsidized. Religious, medical, educational, child care facilities – Crèche Ayah are offered as before. Any maintenance and service for housing and facilities can be requested from the respective management with free of charge. During interview with local and foreign field workers at all visited mill and estates, they were satisfied with the accommodation and other facilities that were provided to them.

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	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	YES	Sg Jernih Estate has demonstrated effort to monitor once a year the adequacy, sufficient and affordable of food supply and price at the sundry shop within the estate. The monitoring was last carried out accordingly.
C 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	YES	A policy titled as "Polisi Kebebasan Berpersatuan" dated in Jan 2011 is available in the CU. The policy is written in Bahasa and languages understood by the workers is displayed at the public places at all estates/mill. The policy included statements, among others, that the workers are allowed to join any registered organizations or associations. Foreign workers are not allowed to hold any positions in the organizations or associations. The workers whom were consulted had confirmed that they were aware of their rights to join a union.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	The CU continues to retain minutes of meeting with trade unions, NUPW and AMESU representatives.
C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	YES	"Polisi Penggajian Pekerja Kanak-Kanak dan Had Umur Minima" dated Jan 2011 is publicly available at the visited estates and mill. The policy statements emphasised on child under 18 years must not be employed to work in hazardous areas. This policy is posted on notice boards in the estates/mill office.
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	YES	The 'Polisi Kesamarataan Hak' dated Jan 2011 is publicly available in the estate and POM. The policy statements emphasized on worker information, recruitment and selection, training, employee development, terms of service and records of service. This policy is posted on notice boards in the estates/mill office.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	YES	There is a publicly available equal opportunities policy (Polisi Kesamarataan Hak) dated Jan 2011 which states that the company is providing equal opportunity to all and does not practice discrimination based on race, caste, national, origin, disability, gender, sexual orientation, union membership, political affiliation, or age. There is no evidence of discrimination when a cross section of employees was interviewed. A functioning grievance mechanism is in place. The <i>Persatuan Pekerja</i> and Gender Committee also looks into allegation of discrimination if reported.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are	YES	The job advertisements and records of hiring and promotion were reviewed during the audit. It was noted that the hiring and promotion are based on the skills, capabilities, qualities and medical fitness. This was confirmed by the employees who were interviewed during the audit.

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		based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance		
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	A policy on sexual harassment titled 'Polisi Gangguan Seksual' dated Jan 2011 was available. The policy was signed by the Plantation Director. The policy is also written in Bahasa and displayed at the notice boards within the estates and mill office. No evidence or acts that contradict this policy were observed.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	The CU maintained its documented policy to protect reproductive rights. No case of violation was observed.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	YES	The specific grievance mechanism is available in the CU. The chair of the Gender Committee at each operating units is responsible for handling and communicating issue to the management, if any. Management has directed chairman of gender committee to respects and protects anonymity and complainants where requested. The mechanism has been communicated to all levels of the workforce as verified by auditor during interview with the female workers. The Gender Committee at the Sg Jernih POM, Sg Jernih Estate, Ladang Tabung Tenera and Bebar Estate had conducted meeting at least once a year. The committee had briefed their members on the objectives of the establishment of the committee, mechanism to addressed particular issues related with women and children and also their annual programme activities as verified through minute of meetings.
C 6.10 Growers and millers deal fairly and v transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	YES	The CU maintained only receives FFB from its own certified supply base. No outside FFB received was observed.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented. Major Compliance	YES	The documented contract between CPO transporters, contractors, and mill/estates are made available at office. The content of the contract had been briefed to contractor during renewal of the contract. All the businesses were providing their services for more than 5 years. They confirmed that the prices, the transactions entered with the mill and estates are fair and transparent.
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	YES	It was evident that they understood the content of the terms and condition of the contract and agreed that the contract is fair, legal and transparent.
	6.10.4	Agreed payments shall be made in a timely manner.	YES	Based on interview with contractors from Sg Jernih POM, Sg Jernih Estate, Ladang Tabung Tenera and Bebar Estate, the audit team was informed that any payments to supplier and contractor were

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		Minor Compliance		made in a timely manner, i.e. every 7 th and 18 th of the month. If the payment cannot be paid as agreed, the estate and mill clerk will inform them first.
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	YES	The CU continued to contribute to local development needs. Each operating units within the CU had allocated budget for corporate social responsibility (CSR) activities
	6.11.2	There are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	YES	There was no smallholders FFB supplier involved with Sg Jernih CU.
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	YES	There was no trafficked labour are used. This was verified through foreign workers passport, contract agreements and work permit including interview with several workers - chemical sprayers, harvesters and nursery at visited estates.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	There is no contract substitution occurred as stated in the 'Polisi Pekerja Buruh Asing' dated in April 2016 in Sg Jernih CU. Audit team has interviewed sampled workers and all of them were aware of the types of work they would be doing before they arrived in Malaysia. The actual job undertaken was the same as what they were informed about while they were still in their home country in Indonesia and Bangladesh. No contract substitution has therefore occurred.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	A special labour policy for employment of foreign workers has been addressed in the social policy. The policy mentioned that foreign employees will be treated fairly in terms of recruitment, terms and conditions of work, provide decent living and no contract substitution. A post arrival programme is conducted for three months once arrived at the operating units. Boustead has established specific procedures/flowchart for employment of foreign workers titled '2) Sourcing Process for Foreign Workers'. The procedure has been implemented for any employment related with foreign workers.
C 6.13 Growers and millers respect human rights	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations. Major Compliance	YES	A policy to Respect Human Rights has been established by the CU in Jan 2016. All visited sites has briefed this policy to all workforce as verified through briefing records and interview with staff and workers.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	YES	Since this plantation is in West Malaysia, therefore this indicator is not applicable. However, the CU has provided building for 'Tabika Kemas' a kindergarten for workers children.

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Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Sg. Jernih CU has no plan for any new planting and new development of area. This has been observed during the visit. Auditors has verified through checking the www.globalforestwatch.com, GOOGLE Maps, Estate Maps and also through site visit to the estates area; Sungai Jernih Estate, Bebar Estate and Tabung Tentera Terengganu Estate.

Principle 8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		
	a)	Reduction in use of pesticides(Criterion 4.6);	YES	Generally, the Sg.Jernih CU is committed to reduce the usage of pesticides by implementing IPM such as the increase in the planting of nectariferous beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> , <i>Turnera subulata</i> and installation of additional barn owls cages.
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	The CU maintained efforts to improve continuously its environmental management. Among the relevant plans and measures were: <ul style="list-style-type: none"> • reduction of diesel usage / GHG emission. • reduction of POME generation. • maintain water quality. • reduce soil erosion. • reduce usage of chemical. • reduce land contamination • improve soil fertility • reduce waste • installation of biogas plant (Long Term Plan)
	c)	Waste reduction (Criterion 5.3);	YES	Among the type of wastes are agricultural organic wastes, rubbish, used oils, used batteries, empty pesticide containers, clinical waste, scrap iron, wastewater, etc.

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				Non-reusable empty chemical containers were disposed as per relevant requirements of scheduled wastes. Reusable agrochemical containers were used for collecting of triple-rinsing wastewater. Scheduled wastes were labelled with relevant information and hazard sign and disposed to DOE's licensed contractor.
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	The CU continued to establish and implement GHG emission reduction plan to identify the waste products and sources of pollution. Among the plan implemented were periodical maintenance of tractor and power generator, application of organic material POME/FFB as fertiliser.
	e)	Social impacts (Criterion 6.1);	YES	The Sg Jernih CU continues to implement the social action plan determined as of results of stakeholders consultation and meetings. Among the improvement made were shortened timeframe for payment to supplier, contractor and payment made by HQ, workers and staff Salary following MAPA/NUPW, street and house lighting, court sports, children playground, workers' hall, vehicle to town, school & mosque, and recreational activities and etc.
	f)	Encourage optimising the yield of the supply base	YES	As Sg.Jernih BU is part of a well-established organisation, Boustead Plantations Berhad, the yield performance has always been the top priority in ensuring long-term economic and financial viability. In general, various efforts had been done to optimise the yield of the plantation such as maximising crop recovery, optimum ripeness standard (harvest ripe bunches only and 100% loose fruit collection), the soil fertility were maintained and planting only high yielding planting material.

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Clause	Indicators		Comply Yes/No	Findings
4.5.3 Time-bound plan Note: Where there are isolated lapses in implementation of a time-bound plan, a	(a)	As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.	Yes	For the time-bound plan, Boustead Plantations Berhad has committed to ensure all their business unit (BU) to be certified within 5 years i.e. year 2018 to 2022.

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<p>minor non- compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised;</p>	(b)	Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;	Yes	<p>There are seven BU highlighted in the time-bound plan and the certification progress aligns with that in the time-bound plan i.e. Segaria BU has been audited by BSI on fourth quarter of 2017 and as of today, it has completed the Peer reviewer process.</p> <p>For another 2 BUs i.e. Telok Sengat BU and Segamaha BU, Boustead was in the process of selecting the certification body and expecting the audit to be held in mid 2018. For another 4 BUs i.e. Lapan Kabu, Sugut, Loagan Bunut & Kanowit, the Sustainability team has conducted periodic internal audit.</p>
	(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);	Yes	No revision of time-bound plan.
<p>4.5.4 Requirements for uncertified management units:</p>	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since 1 st January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	Yes	<p>Verification through www.globalforestwatch.com, GOOGLE maps data, estates maps and through HCV assessment report, and planting profile there was no new planting and no new development of area was observed.</p>
	(b)	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;	Yes	<p>Series of Internal Audit on their uncertified unit was conducted on 9/10/2017, 18/9/2017, 25/9/2017, 26/9/2017, 11/10/2017, 6/10/2017 and 9/10/2017. The audit was conducted against RSPO P&C and RSPO Partial Certification Requirements. Noted that Kanowit BU and Loagan Bunut BU has land conflict and they are being resolved. Meeting with several parties were conducted and minuted.</p>

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	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	Yes	Series of Internal Audit on their uncertified unit was conducted as reported above. The audit was conducted against RSPO P&C and RSPO Partial Certification Requirements. No case of labour dispute reported in the internal audit report.
	(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	Yes	Series of Internal Audit on their uncertified unit was conducted as reported above. The audit was conducted against RSPO P&C and RSPO Partial Certification Requirements. Several issues of legal non-compliance reported in the internal audit report such as lapses in scheduled waste management and it is being solved progressively.
	(e)	<p>The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) – (d) above by the audit team based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:</p> <ul style="list-style-type: none"> • A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement; • Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team. • Desktop study e.g. web check on relevant complaints • If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements. 	Yes	<p>Series of Internal Audit on their uncertified unit was conducted as reported above. The audit was conducted against RSPO P&C and RSPO Partial Certification Requirements. Evidence of audit attendance list, audit checklist & report were made available to auditor as the supporting evidence.</p> <p>Verification through www.globalforestwatch.com , GOOGLE maps data, estates maps and through HCV assessment report, and planting profile there was no new planting and no new development of area was observed.</p>
4.6.4 The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local		No additional indicators	Yes	Boustead owned the land (brought from the Government) as mentioned in 2.2.1 of this checklist. Based on the interviews and this audit finding, it has been confirmed that there was no such case concerning the rights of local

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communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.				communities and indigenous people at Sg. Jernih BU.
<p>Note:</p> <p>1. For requirements 4.5.4 (a)-(d) above, the definition of major and minor NC is stated in the RSPO P&C. For example, if an NC against a major indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless that is actively addressed;</p> <p>2. Failure to address any outstanding NC within uncertified unit(s) regarding 4.5.4 (a)-(d) may lead to certificate suspension(s) to the certified unit(s), in accordance with the provisions of these Certification Systems.</p>				

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Attachment 4

Details of Non-conformities and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
4.7.2 NCR RAR 02 2018	Major	Finding: Risk assessment related for bee sting was not conducted for harvesting operation. Objective evidence: At Tabung Tentera Terengganu Estate for year 2017 (4 cases – 11/01/2017, 12/04/2017, 23/05/2017, and 21/08/2017) and year 2018 (2 cases – 04/04/2018, and 01/07/2018) related to bee sting was recorded and no updated Risk assessment was recorded.	HIRARC for bee sting at harvesting operation already reviewed and updated on 10.7.2018	Auditor has verified the evidence attached (picture) which is HIRARC has been done on 10 July 2018 for bee sting at harvesting area Status: Closed The implementation of corrective action will be verified by next audit.
4.7.3 NCR STK-01 2018	Major	Finding: Adequate and appropriate protective equipment were not available to all workers at the place of work. Objective evidence: 1. LTT Terengganu: Estate: a. A set of oxygen and acetylene cylinders in the workshop did not have "flash back arrestors". b. Workers applying fertilizer in Field 03G were not wearing aprons as per recommended in CHRA. 2. Bebar Estate: The belting of the water pump in the oil palm nursery was not protectively covered. 3. Sungai Jernih Estate: Workers observed spraying in Field 09C were not wearing goggles and the correct	1. a) Flash back arrestor already purchased and fixed immediately on 20th July 2018 b) With Immediate effect enforcement was done. Additional training was carried out on 8th July 2018 2. cover of belting Pump need to custom made. And will be placed once it done. 3. With Immediate effect enforcement was done. Additional training was carried out on 30 th July 2018	Auditor has verified the evidence attached (picture) which is flashback arrestor has been fixed, PPE training dated 8 and 30 th July has given to workers and cover of compressor belting has been fixed Status: Closed The implementation of corrective action will be verified by next audit.
4.7.5 NCR STK-02 2018	Minor	Finding: First aid equipment was not available at worksites. Objective evidence: 1. Bebar Estate: The first aid box at the workshop contained 2 expired first aid medication. 2. Sungai Jernih Estate: First aid equipment was not available at the spraying and EFB application worksites.	First Aid Training has been conduct on 2/8/18 for all first aid holder	Corrective action plan accepted Status: Open The implementation of corrective action plan will be verified by next audit.
5.3.2 NCR RAR 03	Major	Finding: All scheduled waste was not dispose of responsibly.	Arrangement has been made between RHM Trading& Transport Services Sdn Bhd for	Auditor has verified the evidence attached (picture) which is Approval from DOE for

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2018		Objective evidence: Schedule waste has been stored more than 180 days. Sighted last consignment notes for disposal of waste items on 08/10/2017 (At Tabung Tentera Terengganu Estate) and on 24/01/2017 (at Bebar Estate).	collection. Contractor just received the approval from DOE on 13th August 2018. Collection will be in due course.	RHM Trading & Transport Services Sdn Bhd for collection. Sighted approval from DOE dated 13th August 2018. Status: Closed The implementation of corrective action will be verified by next audit.
5.6.3 NCR RAR 01 2018	Minor	Finding: Sg Jernih BU is using the RSPO PalmGHG Calculator version 3.0.1 to calculate the GHG emission for the estate and mill. However certain data input used in the calculation was found not available in the reported data. Objective evidence: Wrong data input for 2017 GHG calculation such as total diesel consumption.	New data total diesel consumption was input in palmGHG software for recalculation of emission	Corrective action Plan accepted. The implementation of corrective action plan will be verified by next audit. Status: Open
6.5.2 NCR MRS 01 2018	Major	Finding : Special labour policy and procedures for temporary or foreign workers was not implemented Objective evidence : It was found that, several unpermitted workers still working in the estate without permission from immigration department or has no 'Pass Lawatan Kerja Sementara' (PLKS) from Kelulusan Kuota One Stop Centre" (OSC) Immigration Department as per SOP even though the quota has been guaranteed by the Immigration Department	We have resumed the remaining balance using 2 agencies. First batch delivery on 23/06/18 as 15 workers and 2 nd batch delivery on 25/06/18 as 20 workers. The rehiring program for unpermitted workers has been completed and returned to work as usual.	Auditor has verified the evidence attached one year permit dated 13/7/18, 17/7/18 and 23/7/18 for 15 and 20 workers. Status: Closed The implementation of corrective action will be verified by next audit.
Supply Chain 5.8.1 NCR MZK 01 2018	Major	Finding: Training was provided but not enough to personnel carrying out the tasks critical to the effective implementation of the supply chain certification system. Objective Evidence: Person in Charge in Marketing Department of Boustead Plantation (HQ) was not understanding the requirement of IP Model of Supply Chain which is the sale of IP Products cannot downgrade to MB product.	The training program for marketing personnel has been included in the next year training program and will be conducted in the midyear 2019.	Auditor has reviewed the training plan for marketing department for year 2018/2019. Status: Closed The implementation of corrective action will be verified by next audit.
Supply Chain D.4.2 NCR MZK 02 2018	Major	Finding: There is projected overproduction of certified tonnage. Objective evidence: Sighted that overproduction Projected CSPO IP for period June 2017 – May 2018 which is projected 29,684 mt and actual 29,666 MT of CPO IP and 696.41 MT Conventional and over production of Projected PK IP for period June 2017 – May 2018 which projected 4,087.00 mt and actual 4,635.58 MT and Sungai Jernih POM yet to inform the CB and apply extension to the RSPO.	Overlooked on the additional amount of production and sales. Forward to CB the request for extension of volume and apply for RSPO approval.	Auditor has reviewed the application for extension of volume. And RSPO has approved the request on 2/10/2018. Status: Closed The implementation of corrective action will be verified by next audit.

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Attachment 5

RSPO SUPPLY CHAIN : AUDIT CHECKLIST

SECTION A : GENERAL INFORMATION

1. File Reference No.	: EB05000001
2. Name of facility/ site(s) /entity(ies)	: Boustead Plantation Berhad – Sungai Jernih POM
3. Site Location (single site/multisite/Group)	: KM 70 Lebuhraya Gambang-Segamat, Paloh Hinai, 26650 Pekan, Pahang, Malaysia
4. SC model	: Identity Preserved
5. Type of entity	: Mill / Crusher / Refinery / Biodiesel plant / Primary Oleochemical / Secondary Oleochemical / End product manufacturer <i>For oleochemicals and its derivatives, please check the conversion factor against the "RSPO Rules for Oleochemicals and its Derivatives" dated 1st December 2016</i>
6. RSPO Member Number	: 1-0012-04-000-00
7. Annual summary records of certified oil palm products purchased and claimed	: Projected for last year for period of June 17 until May 18 CPO Projected: 29,684 mt PK Projected: 4,087 mt CPO Actual Production: 30,447.06 mt PK Actual Production : 4,910 mt CPO Sell: 30,362.41 mt CPO Claim as Identity Preserved: 29,666 mt CPO Claim as Non-RSPO: 696.41 mt PK Sell: 4,635.58mt PK Claim as Identity Preserved: 4,635.58mt PK Claim as Non-RSPO: 0 mt

SECTION B (i): RSPO SUPPLY CHAIN CERTIFICATION SYSTEM (REVISED JUNE 2017)

	Requirements	Remarks
	Audit Process Requirements – FOR STAGE 2 / RECERTIFICATION AUDIT	
5.3.8	The certification audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization seeking or holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.	NA

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Audit Process Requirements – SURVEILLANCE AUDIT		
5.3.26	<p>The surveillance audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.</p> <p>In cases where an organization seeking certification outsources activities to independent third parties, a risk assessment shall be done by the CB to determine whether an audit of the sub-contractor is required. If the outsourced contractor holds RSPO Supply Chain certification, then it does not require an additional audit.</p>	<p>Sungai Jernih POM Organizational, management systems and the operational systems, documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.</p> <p>Sighted Sungai Jernih palm oil mill documented procedure name integrated RSPO: Supply Chain procedure revised dated March 2018 (revision : 4), describing the procedures on the following activities related on its supply chain certification standard required by the RSPO. The Procedure was sighted and found all elements were covered which included</p> <ul style="list-style-type: none"> • 4.0 Responsibilities • 5.0 Control of Documents • 6.0 Delivery of FFB the Estates (FFB) • 7.0 Receiving FFB at the Mill • 8.0 Process monitoring • 9.0 CPO and PK Despatch • 10.0 Product Claims • 11.0 Outsourced Contractor • 12.0 Training • 13.0 Management Review & Audit • 14.0 Reclassification of Mill's Supply • 15.0 Production Volume <p>There is no evidence that Sungai Jernih POM seeking certification outsources activities to independent third parties.</p>

SECTION B : GENERAL CHAIN OF CUSTODY REQUIREMENTS FOR THE SUPPLY CHAIN

	Requirements	Remarks
1	Applicability of the general chain of custody requirements for the supply chain	
1.1	Organization takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.	Sungai Jernih POM has legal ownership and physically handles RSPO certified sustainable crude palm oil and palm kernel.
1.2	Traders and distributors require a licence obtained from RSPO to sell RSPO certified product but do not themselves require certification. When selling RSPO certified product a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.	Not applicable due to Sungai Jernih POM is processing facility.
1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the	Registered under company : BOUSTEAD RIMBA NILAI SDN BHD – SUNGAI JERNIH BUSINESS UNIT

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	RSPO IT platform	
1.4	Processing aids do not need to be included within an organization's scope of certification.	No processing aid involved in Sungai Jernih POM scope of certification
2	Supply chain model	
2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Sungai Jernih POM has aware on the need to downgrading of supply chain model. Incoming FFB and products dispatch record was verified and confirmed no downgrading was implemented.
2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Sungai Jernih POM has continued to maintain IP model.
3	Documented procedures	
3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:	The Supply Chain Procedure was revised March 2018 (revision : 4), the said procedure was sighted and found all elements of the RSPO Supply Chain standard were covered which included.
a)	Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.	The Supply Chain Procedure was revised March 2018 (revision : 4), the said procedure was sighted and found all elements of the RSPO Supply Chain standard were covered. The Procedure was sighted and found all elements of the RSPO Supply Chain standard were covered.
b)	Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).	Sighted CPO and PK production record, weighbridge report, dispatch record and training record was up to date and well maintained.
c)	Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.	The RSPO Chairman has the overall responsibility and authority over the implementation of the supply chain requirements. It was noted RSPO Chairman has assigned Sungai Jernih POM Manager to ensure the implementation of supply chain procedure met the RSPO requirements. Interviewed with relevant person in-charge at critical control point was revealed they are understood on the RSPO standard requirements which requires no mixing of RSPO certified and non RSPO certified material in receiving, processing, storage and delivery.

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3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>ii. Effectively implements and maintains the standard requirements within its organization.</p> <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct nonconformities shall be subject to management review at least annually. The organization shall be able to maintain the internal audit records and reports.</p>	<p>RSPO internal audit was conducted in May 2018 by internal auditors. There are 1 Major NCR were raised by auditor. Audit Attendance sheet, audit plan, audit notes, and Major NC was sighted by auditor. Sungai Jernih POM has taken necessary action to close out the Major NC.</p>
4	Purchasing and goods in	
4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number. <p>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</p>	<p>Sungai Jernih POM had continued received FFB supply from own company estate namely Sungai Jernih Estate, Bebar Estate and LTT Terengganu Estate.</p> <p>Sighted FFB consignment note for Sungai Jernih Estate, Bebar Estate and LTT Terengganu Estate from 1 December 2017 till 25 May 2018. Among the information available on the FFB consignment note are estate name, delivery date, no of FFB bunches, FFB weight.</p>

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a)	The site shall have documentation that demonstrate that purchases are made to the material category agreed with their supplier (IP, SG or MB).	<p>Sungai Jernih POM had continued received source of RSPO certified FFB from own group estate.</p> <p>Sungai Jernih POM has continued to implement and comply with the procedure in handling of purchasing and receiving as per RSPO standard requirements. Among the samples of all document dated from 1 December 2017 till 25 May 2018. related to incoming FFB from Sungai Jernih Estate, Bebar Estate and LTT Terengganu Estate</p>
b)	The site ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcement and Shipping Confirmation on the RSPO IT platform on the level of each shipment.	<p>Sungai Jernih POM has registered in IT platform. Registered under company : BOUSTEAD RIMBA NILAI SDN BHD – SUNGAI JERNIH BUSINESS UNIT</p> <p>Sighted also contract within the June 2017 – May 2018, all are announce in the Shipping Announcement.</p>
c)	A check of the validity of the Supply Chain Certification of suppliers for all sites that are SC certified. This shall be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements.	Sungai Jernih POM had continued received FFB supply from own company estate namely Sungai Jernih Estate, Bebar Estate and LTT Terengganu Estate. Auditor also verify The mill Supply Chain Validity Certificate and confirm all the products are RSPO SC certified.
4.2	The site shall have a mechanism in place for handling non-conforming material and/or documents.	Sungai Jernih POM has established BMS (Boustead management system) is catering to control incoming material and outgoing products. The FFB supplier & Product buyer & its vehicle registration has to been registered in the system prior weighing. RSPO Supply Chain procedure item 7.4 has indicate the mechanism to handle non-conforming material/documents such as validity of certificate supplying estate.
5	Outsourcing activities	
5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard.</p> <p><i>This requirement should not apply to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the organization (not the tank farm manager).</i></p>	There are 2 outsource company for CPO transporter. The agreement document was available and communication on the RSPO supply chain requirement were communicated to them. Record of training was sighted.

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5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ul style="list-style-type: none"> a) The site has legal ownership of all input material to be included in outsourced processes; b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The responsibility is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c) The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance. 	<ul style="list-style-type: none"> a) There are 2 outsource for CPO transporter, agreement document was available and communication on the RSPO supply chain requirement were communicated to them. Record of training was sighted. b) There is contract document between Sungai Jernih POM and the transporters. c) The RSPO Supply Chain procedure (RSPO : Supply Chain Standard Rev 4) Chapter 9, CPO and PK Despatch, and Chapter 11 Outsourced Contractor has described on outsource activity. d) The Third Party understand the RSPO requirement, it is also stated in the contract. Inspection was carried out as additional effort to ensure no contamination sighted book at AP Post.
5.3	The site shall record the names and contact details of all contractors used for the processing or production of RSPO certified materials.	List of contact person for both transporters were made available and up-to-date in the List of Stakeholder FY : 2018.
5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or production of RSPO certified materials.	No new contractors used for the processing or production of RSPO certified materials.
6	Sales and goods out	
6.1	The organization shall ensure that the following minimum information for RSPO certified products is made available in document form. Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):	<p>The procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by Boustead Estate Agency Sdn Bhd., Marketing Department (HQ) on behalf of Sungai Jernih POM.</p> <p>Sample of deliveries document were sighted during the audit and it was found all related information were adequate. Sungai Jernih POM's RSPO certificate number and product name together with model used were stated in the delivery documents.</p>

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	<ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number; • A unique identification number. 	
7	Registration of transactions	
7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> • are supply chain actors between the mill and final refinery; • take legal ownership and physically handle RSPO Certified Sustainable oil palm products; and • are part of the supply chain of RSPO Certified Sustainable oil palm products <p>must register their transaction in the RSPO IT platform at the time of physical shipment as required by the rules set by RSPO.</p>	<p>Sungai Jernih POM has legal ownership and physical handle RSPO certified sustainable CPO and PK.</p> <p>Sungai Jernih POM has registered in IT platform</p> <p>Registered under company : BOUSTEAD RIMBA NILAI SDN BHD – SUNGAI JERNIH BUSINESS UNIT</p>
8	Training	
8.1	<p>The organization shall have a defined training plan, which is subject to on-going review and is supported by records of the training provided to staff.</p>	<p>Training plan has included the RSPO Supply chain training scheduled in May 2018 and July 2018 for staff & workers. However it was found that, Person in Charge in Marketing Department of Boustead Plantation (HQ) did not understanding the requirement of IP Model of Supply Chain which is the sale of IP Products cannot downgrade to MB product. Thus Major NCR MZK 01 2018 was raised.</p>
8.2	<p>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system.</p> <p>Training shall be specific and relevant to the task(s) performed.</p>	<p>Training was conducted for workers in 23/5/18 by Mr Iqbal Shaffiq (Assistant Manager) attended by 6 person including Chief Clerk, Weighbridge Clerk and Lab Assistant. Attendance list & photograph was seen.</p>
9	Record keeping	

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9.1	The site shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	Sighted CPO and PK delivery note, weighbridge ticket, production data and internal audit records were found up-to-date.
9.2	Retention times for all records and reports shall be a minimum of two (2) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	Relevant record was maintained for more than 2 years
9.3	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	Available.
10	Conversion factors	
5.10.1	Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org). This is in particular relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries. The guidance document for oleochemicals is available on the RSPO website (www.rspo.org).	The actual OER & KER used as the conversion rate.
10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	Updated on monthly basis.
11	Claims	
11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims.	The site has made claim of 29,666 MT of CPO IP and 4,635.58 MT of PK IP. The claim has been using RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims.
12	Complaints	
12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Documented procedure has established to address collecting and resolving the complaint.

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13	Management review	
13.1	The organization is required to hold management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	<p>The Supply Chain Procedure was revised March 2018 (revision : 4), the said procedure was sighted and found all elements of the RSPO Supply Chain standard were covered which included</p> <ul style="list-style-type: none"> • 13.0 Management Review & Audit <p>The Procedure was sighted and found all elements of the RSPO Supply Chain standard were covered and defined management review will be conducted once a year</p>
13.2	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO SCCS • Customer feedback • Status of preventive and corrective actions • Follow-up actions from management reviews • Changes that could affect the management system • Recommendations for improvement 	<p>Management review meeting dated in May 2018 (combine RSPO SC and MSPO traceability)</p> <ul style="list-style-type: none"> • Internal audit – 1 OFI • Customer feedback – data analysis show result from customer survey (i.e. RSPO-CSPO related to meeting the contract volume, timely delivery, dispatch documentation) result meet 77% above the set target of 70%. Survey was send six monthly. • Previous meeting – was highlighted • Changes • Recommendation for improvement – improve the established system
13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes • Resource needs 	<p>Recommendation for improvement in Management review meeting dated 2 May 2018 is to suggest all internal audit Findings should work together with both Estates and mill and closed within timely manner.</p> <p>Resource sufficient.</p>

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SECTION C : SUPPLY CHAIN MODELS *(to only use whichever is applicable)*

Module D – CPO Mills: Identity Preserved	
D.1 Definition A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable. To verify : a) the volume of certified and uncertified FFB entering the mill b) the volume sales of RSPO certified The claim only the volume of oil palm products produced from processing of the certified FFB as MB	Actual (June 2017 – May 2018) <div style="text-align: right; margin-bottom: 5px;">MT</div> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> a) FFB Received RSPO 128,685.34 Non-RSPO 0 FFB Processed RSPO 128,685.34 Non-RSPO 0 CPO Production 30,447.06 PK Production 4,910.35 </div> <div style="width: 35%; text-align: right;"> 128,685.34 128,685.34 </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> b) Delivery of CPO RSPO(IP) 29,666.00 RSPO(MB) 0 Non-RSPO 696.41 Delivery of PK RSPO (IP) 4,635.58 RSPO(MB) 0 Non-RSPO 0 </div> <div style="width: 35%; text-align: right;"> 30,362.41 4,635.58 </div> </div>
D.2 D.2.1	Explanation Estimate total tonnage of CPO and PK potentially produce in a year Projection (June 2018 – May 2019) <div style="text-align: right; margin-bottom: 5px;">MT</div> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> (1) FFB Received RSPO 157,100.00 Non-RSPO 0 (2) FFB Processed RSPO 157,100.00 Non-RSPO 0 (3) CPO Production 37,704.00 (4) PK Production 5,341.40 </div> <div style="width: 35%; text-align: right;"> 157,100.00 157,100.00 </div> </div>
D.2 D.2.2	Explanation The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim). Sungai Jernih POM has registered RSPO e-Trace. The member ID is RSPO_PO1000000038 Sample of registration was sighted.

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D.3	Documented procedures	
D.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p> <p>This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>a) The Supply Chain Procedure was revised March 2018 (revision : 4), the said procedure was sighted and found all elements of the RSPO Supply Chain standard were covered.</p> <p>b) The RSPO Chairman has the overall responsibility and authority over the implementation of the supply chain requirements. It was noted RSPO Chairman has assigned Sungai Jernih POM Manager to ensure the implementation of supply chain procedure met the RSPO requirements. Interviewed with relevant person in-charge at critical control point was revealed they are understood on the RSPO standard requirements which requires no mixing of RSPO certified and non RSPO certified material in receiving, processing, storage and delivery.</p>
D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	As stated in the procedure An integrated RSPO: Supply Chain procedure revised March 2018 (revision : 4), Receiving of certified and non-certified FFB procedure is stated in section 7.0 (Receiving FFB at the Mill)
D.4	Purchasing and goods in	
D.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	<p>Upon receiving of the FFBs, the Mill Gate Security will check on the incoming FFB and its accompanying dispatch note issued by the supplying estate before allowing entry. This will be followed by checking and verification by the Weighbridge Clerk to determine details on the dispatch note tallied with the incoming FFB such as supplying estate and weight (volume).</p> <p>All certified FFB came from Sungai Jernih CU estates. All delivery documents of certified FFB were verified to ensure the certified status of the FFB. Volumes of certified FFBs received by the mill had been properly recorded and monitored.</p> <p>All purchasing and sales activities were handled by Marketing Department and Boustead Plantation Berhad Kuala Lumpur (HQ).</p>
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	Based on the records available, it was found that there is overproduction for Projected CPO IP. From June 2017 – May 2018, Sungai Jernih POM had delivered 29,666 MT of CPO IP and 696.41 MT Conventional which is projected 29,684 mt. From June 2017 – May 2018, Sungai Jernih POM had overproduction of 4,635.58 MT of PK IP which is projected 4,087.00 mt and the mill yet to apply extension to the RSPO, therefore Major NCR MZK 02 2018 was raised.
D.5	Record keeping	
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.	<p>Sungai Jernih POM has maintained the three-monthly accounting system to record RSPO certified FFB and deliveries of RSPO certified CPO and PK. Record entitle <i>"Mass Balancing Records for Oil Mills"</i>.</p> <p>For year 2017 and 2018 (until June) Boustead Rimba Nilai Sdn Bhd – Boustead Sungai Jernih Business Unit monitored their incoming of FFB and outgoing of certified CPO product on three monthly basis. This records contain information about certified FFB received, process, CPO & PK production and todade balance stock (refer attached "Mass Balancing Record for Oil Mills" summary report).</p>

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D.6	Processing	
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified oil palm product including during transport and storage.	Through interview with FFB grader, Weighbridge staff, mill supervisor and Mill Manager, it was confirmed that the mill has not received and processed any non-certified FFB. Sighted weighbridge summary Monthly reports which confirmed that all FFB were from its own estate i.e. Sungai Jernih Estate, Bebar Estate and LTTT Estate.
	The objective is for 100 % segregated material to be reached.	Sungai Jernih POM does not accept any non-certified FFB. It was confirmed through weighbridge summary Monthly reports therefore CPO and PK can be considered 100% segregated.

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Attachment 6

VERIFICATION OF NON-CONFORMITIES DURING LAST SURVEILLANCE ASSESMENT AT SUNGAI JERNIH BU

P & C Indicator	Specifi cation Major/ Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Auditors	Verification by Auditors
Indicator 4.1.1 NCR#: MN01/20 17	Major	<p><u>Requirement:</u> Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p><u>Findings:</u> TT and Bebar Estates do not comply with the indicator 4.1.1.</p> <p>1. It was found that OPC No.15b (SOP) were not adequately documented up to 26kg. (a) Training needs analysis, (b) Training identification and (c) water effluent sampling procedures and preservation of samples were not available at Palm Oil Mill and estates audited.</p>	<p>TT and Bebar Estates do not comply with the indicator 4.1.1.</p> <p>2. It was found that OPC No.15b (SOP) were not adequately documented up to 26kg. Training needs analysis, Training identification and water effluent sampling procedures and preservation of samples were not available at Palm Oil Mill and estates audited.</p>	<p>Auditor has verify that OPC No.15b had been revised to include FFB of more than 18 Kilos. The memorandum, to this effect, dated 1st August 2017 signed by the Plantation Director</p> <p>Status: Closed</p>
Indicator 4.1.2 NCR#: MN02/20 17	Minor	<p><u>Requirement:</u> A mechanism to check consistent implementation of procedures shall be in place.</p> <p><u>Findings:</u> TT and Bebar Estates do not comply with the indicator 4.1.2</p> <p>1. It was found that the harvesters of TT and Bebar Estates do not consistently implement the harvesting procedures as per OPC No. 15b 2. It was also found that the manuring workers in Field PJ09A of TT Estate do not comply to the procedures of OPC No. 03b as they had not broadcasted evenly the Kieserite fertilisers.</p>	<p>TT and Bebar Estates do not comply with the indicator 4.1.2</p> <p>3. It was found that the harvesters of TT and Bebar Estates do not consistently implement the harvesting procedures as per OPC No. 15b 4. It was also found that the manuring workers in Field PJ09A of TT Estate do not comply to the procedures of OPC No. 03b as they had not broadcasted evenly the Kieserite fertilisers.</p>	<p>Auditor has verified that, At time of visit it was observed that the harvesters carrying out harvesting in all 3 estates had complied with the requirements of OPC 15b. Workers applying fertliser in Field 03G on TT-T Estate were observed to broadcast the fertilizer as per OPC 3b.</p> <p>Status: Closed</p>

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<p>Indicator 4.8.1</p> <p>NCR#: MM01/20 17</p>	<p>Major</p>	<p><u>Requirement:</u> A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training need and documentation of the programme.</p> <p><u>Findings:</u> Formal training for the following courses were not evident:</p> <ul style="list-style-type: none"> Hazard Identification, Risk Assessment and Risk Control Environmental Aspect and Impact Assessment Accident Investigation and Root Cause Analysis Understanding of applicable Legal Requirements, example EQA 1974, Employment Act 1955, Minimum Standards of Housing and Amenities Act 1990, etc. Working with Scaffolding 	<p>Formal training for the following courses were not evident:</p> <ul style="list-style-type: none"> Hazard Identification, Risk Assessment and Risk Control Environmental Aspect and Impact Assessment Accident Investigation and Root Cause Analysis Understanding of applicable Legal Requirements, example EQA 1974, Employment Act 1955, Minimum Standards of Housing and Amenities Act 1990, etc. Working with Scaffolding 	<p>Auditor has verify the training program was included:</p> <ul style="list-style-type: none"> Hazard Identification, Risk Assessment and Risk Control - sighted 2 staffs has attend course on understanding, evaluating and implementing effective HIRARC at workplace conducted by NIOSH Malaysia on 18-20/04/2017. Environmental Aspect and Impact Assessment - has been conducted on 05/06/2018 Accident Investigation and Root Cause Analysis - sighted effective safety and health committee training has been conducted by Shenvirohall Sdn Bhd on 25-26/09/2017 for 8 staffs. Understanding of applicable Legal Requirements, example EQA 1974, Employment Act 1955, Minimum Standards of Housing and Amenities Act 1990, etc. - sighted in house training with MAPA has been conducted related to understanding on labour laws (employment act & minimum wages), handling sexual harassment in workplace, and workers minimum housing standards of housing and amenities act 1990 on 08/02/2018. Working with Scaffolding - sighted application letter to attend scaffolding training on 06-15/08/2018 with NIOSH. <p>Status: Closed</p>
<p>Indicator 6.5.3</p> <p>NCR#:</p>	<p>Major (Upgraded last</p>	<p><u>Requirement:</u> Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers'</p>	<p>During the audit, it was found that the worker's quarters inspection was not conducted as per the requirements of Section 23 Sub-section (2) of the Workers' Minimum Standard of</p>	<p>Auditor has verify that, The CU has carried out workers quarters inspection on weekly basis. On workers' housing inspection, Sg. Jernih POM has monitored by weekly basis as verified</p>

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HO01/20 17	year NCR)	<p>Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).</p> <p><u>Findings:</u> During the audit, it was found that the worker's quarters inspection was not conducted as per the requirements of Section 23, sub-section (2) of the Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446).</p>	<p>Housing and Amenities Act 1990 (Act 446).</p> <p>The Mill's line site inspection yet to evidence been weekly conducted as per the requirements of Section 23 Sub-section (2) of the Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). The latest few periodical inspection was conducted on 18/2/1, 15/7/17, 30/6/17.</p>	<p>through monitoring checklist titled 'Linesite Inspection' with latest inspection dated 29/6/2018, 22/6/2018, 13/6/2018 & 8/6/2018. At Ladang Tabung Tentera has monitored by weekly basis as verified through monitoring record titled 'Buku laporan Linesite Inspection LTT-T 2018' with latest inspection dated 28/6/2018, 19/6/2018, 13/6/2018 & 4/6/2018. At Bebar Estate, the workers' housing inspection was carried out by weekly basis as recorded in the 'Monthly Estate Linesite Cleanliness Report' with latest inspection was carried out on 3/7/2018, 26/6/2018, 20/6/2018 & 12/6/2018. At Sg. Jernih Estate, the workers' housing inspection was carried out by weekly basis as recorded in the monitoring checklist titled 'Standard Minimum Perumahan Pekerja dan Garis Panduan' with latest inspection was carried out on 29/6/2018, 22/6/2018, 15/6/2018 & 8/6/2018. All visited sites have complied with Workers Minimum Standard of Housing and Amenities Act 1990.</p> <p>Status: Closed</p>
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Attachment 7

Boustead Plantations Berhad Time Line on RSPO Certification.

Business Unit	2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	1	2	3	4	5	6	7	8	9	10	11
Sg. Jernih Business Unit											
Nak Business Unit ,											
TRP Business Unit											
Segaria Business Unit											
Telok Sengat Business Unit											
Segamaha Business Unit											
Lapan Kabu Business Unit											
Sugut Estates Business,											
Loagan Business Unit											
Kanowit Business Unit											