



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

File Ref. : EH04760003

**RSPO PUBLIC SUMMARY REPORT**

**CLIENT : HAP SENG PLANTATIONS (RIVER ESTATES) SDN BHD**

**PARENT COMPANY : HAP SENG PLANTATIONS HOLDINGS BHD**

**RSPO MEMBERSHIP No.: 1-0098-11-000-00**

**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	
Tomanggong CU	Tomanggong POM	5°25' 38.3" N	118°39' 33.5" E	Off 80 KM, Jalan Jeroco, 91109 Lahad Datu, Sabah, Malaysia.
	Tomanggong Estate	5°24' 01.9" N	118°39' 51.7" E	
	Tagas Estate	5°21' 47.3" N	118°38' 14.2" E	
	Litang Estate	5°19' 31.6" N	118°34' 28.3" E	

**MAP :** See Attachment 1

**AUDIT DATE :** 21-24 Oct 2019

**DURATION :** 16 auditor days

**TYPE OF AUDIT :**  Annual Surveillance Audit No.  Recertification Audit

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

**SCOPE OF CERTIFICATION:** PRODUCTION OF SUSTAINABLE CRUDE PALM OIL AND PALM KERNEL USING MASS BALANCE SUPPLY CHAIN MODEL

**VALIDITY OF RSPO CERTIFICATE :** 09/01/2020-08/01/2025

**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 : **AMIR BIN BAHARI**

Name : *RBE KEOH CHONG*

Signature :

Signature :

Date : **24/01/2020**

Date : *30.1.2020*

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**SUMMARY OF AUDITS**

<b>Annual Surveillance Audit 2</b>				
On-site audit date	: 22-25/11/16	No. of auditor days	: 12	
Audit team	: Hazani Othman, Mohd. Zulfakar Kamaruzaman, Mohd Norddin bin Abd. Jalil			
No. of major NCR	: 7	Indicator: E4.1, 2.1.1, 4.6.5, 4.7.2, 4.7.3, 6.1.3, 6.5.2	Closing date:	: 25/1/2017
No. of minor NCR	: 5	Indicator: 4.1.2, 4.6.9, 4.7.5, 4.8.2, 6.9.3		
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers	Suppliers
	√			√
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
		√		
Supply base sampled	: Litang and Tagas Estates			
Changes since the last audit	: New Manager in Tagas Estate. Tagas Estate: Built new 8 housing blocks (1 block = 2 house units). Litang Estate: New house under construction.			
<b>Annual Surveillance Audit 3</b>				
On-site audit date	: 7-10/11/2017	No. of auditor days	: 12 Days	
Audit team	: Rozaimiee Ab Rahman, Mohd Zulfakar Kamaruzaman, Abdul Raof Asis			
No. of major NCR	: 1	5.2.2	Closing date:	: 8/01/2018
No. of minor NCR	: -	Indicator: -		
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers	Suppliers
	√			√
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
		√		
Supply base sampled	: Tomanggong POM, Tomanggong Estate, Litang Estate			
Changes since the last audit	: No change.			
Report approved by	: Radziah Mohd Daud	Approval date	: 13/02/2018	
<b>Annual Surveillance Audit 4</b>				
On-site audit date	: 23 - 26 October 2018	No. of auditor days	: 12 days	
Audit team	: Rozaimiee Ab Rahman, Mohd Zulfakar Kamaruzaman, Hazani Othman, Amir Bahari			
No. of major NCR	: 1	Indicator: 6.5.2	Closing date	: 11/1/2019
No. of minor NCR	: -	Indicator: -		
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers / Local community	Suppliers
	√		√	
	Contract workers	NGOs	Govt. agency	Independent growers
			√	√
	Indigenous people	Contractors	Others (Please specify)	
	√	√		
Supply base sampled	: Tomanggong POM, Tomanggong Estate, Litang Estate, Tagas Estate			
Changes since the last audit	: No changes.			
Justification of audit planning	: Allocation 4-man days for each site units (estates), and as for POM 3-man days allocated for P&C auditing and 1 day for Supply Chain System.			
Report approved by	: Radziah Mohd Daud	Approval date	: 24/1/2019	

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<b>Recertification Audit</b>				
On-site audit date	:	21 - 24 October 2019	No. of auditor days :	16 days
Audit team	:	Amir Bin Bahari, Rozaimiee B Ab Rahman, Mohd Zulfakar B Kamaruzaman, Mohd Ab Raouf B Asis		
No. of major NCR	:	1	Indicator: 2.1.1	Closing date :30/12/2019
No. of minor NCR	:	nil	Indicator : -	
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees	Settlers	Villagers / Local community
		√		√
		Contract workers	NGOs	Govt. agency
				√
		Indigenous people	Contractors	Others (Please specify)
	√	√		
Supply base sampled	:	Tomanggong POM, Tomanggong Estate, Litang Estate, Tagas Estate		
Changes since the last audit	:	No changes except for the changes in no. of employees and stakeholders.		
Justification of audit planning	:	Allocation 4-man days for each site units (estates) and as for POM 3-man days allocated for P&C auditing and 1 day for Supply Chain System. 4 auditors for 4 days.		
√Report approved by	:	Kamini Sooriamorthy	Approval date :	24/01/2020

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**SUMMARY OF INFORMATION**

**TABLE 1**

	<b>RA</b>	<b>ASA 1</b>	<b>ASA 2</b>	<b>ASA 3</b>	<b>ASA 4</b>
<b>Projection Period</b>	Nov 2019- Oct 2020	-	Nov 2016 – Oct 2017	Nov 2017 – Oct 2018	Nov 2018 – Oct 2019
<b>Certified FFB Processed (MT)</b>	132,714.00	-	129,730.00	139,295.00	134,424.00
<b>Production of Certified CPO (MT)</b>	28,511.73	-	29,579.00	31,439.00	30,703.00
<b>Production of Certified PK (MT)</b>	5,730.23	-	5,835.00	6,282.00	6,055.00
<b>Certified Areas (Ha)</b>	*7,515.75	-	7,515.73	7,515.73	*7,515.75
<b>Planted Areas (Ha)</b>	6,900.70	-	6,900.70	6,900.70	6,900.70
<b>Production Areas (Ha)</b>	6,166.40	-	5,866.20	5,877.10	6,166.40
<b>HCV /Conservation Areas (Ha)</b>	125.64	-	125.64	125.64	125.64
<b>REMARKS</b>	*The certified area is 7,515.75Ha, as confirmed during ASA 4. The certified area for Litang Estate is 2,648.62Ha instead of 2,648.60Ha (that was provided in round-up figure previous submission).				

**TABLE 2**

	<b>PO</b>	<b>PK</b>
<b>Last years certified volume (MT)</b>	30,703.00	6,055.00
<b>Last years actual certified sold (MT)</b>	0.00	1,925.36
<b>Last years actual sold under other schemes (MT)</b>	0.00	0.00
<b>Last years sold conventional (MT)</b>	8,761.46	0.00
<b>New year certified volume (MT)</b>	28,511.73	5,730.23

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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 recognised 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 re-accredited by ASI on 3 October 2019 (accredited since 2014).

**1.2 Qualification of audit team**

<b>Member of the Audit Team</b>	<b>Role/area of RSPO requirements</b>	<b>Qualifications</b>
Amir Bin Bahari	Auditor Team Leader / Good Agricultural Practices (GAP) and Safety	Holds a B.Sc. (Hons) in Chemistry from Universiti Sains Malaysia and MPOB Diploma Palm Oil Milling Tech & Management 1996 and has served the plantations industry for 35 years. He has been involved in ISO 9001, ISO 14001 and EMS OHSAS 18001 implementation during the tenure of service.
Mohd Zulfakar Bin Kamaruzaman	Auditor / Supply chain, Environment and HCV	Holds B. Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operation.
Mohd Ab Raouf Bin Asis	Auditor / Social	Holds a B. Sc. UHTM in Manufacturing (Production and Operation). He had more than 7 years of working experience in the oil palm operation. He has experience in auditing since 2016. He was successfully attended Quality Management System (ISO 9001:2015) and OHS 18001:2007 lead assessor course in 2016.
Rozaimie Bin Ab. Rahman	Auditor / Environment, Occupational health and safety	Holds a B. Sc. Of Agriculture. He had several years of working experience in the oil palm operation. He is a qualified auditor for RSPO P&C.

**1.3 Audit methodology**

The audit covered Tomanggong palm oil mill and all three Tomanggong CU supply bases; Tomanggong, Litang and Tagas Estate. The audit included an on-site audit to the estates, mill, line sites, amenities and facilities to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

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### 1.4 Stakeholder Consultation

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the RSPO and SIRIM QAS International's websites in 19/09/2019. In addition, SIRIM QAS International had also sent invitations through letters to the relevant stakeholders, including government agencies and Non-Governmental Organisations (NGOs). Stakeholder consultation was carried out during the on-site audit. In general, there was no negative comments made against this Certification Unit.

In summary, the stakeholders interviewed during the audit and the evidence from the stakeholder consultation carried out were as tabulated below:

Stakeholders interviewed	Evidence from stakeholder consultation
1) Employees / Workers Organizations (including migrant workers)	The following were confirmed during the conduct of audit as there was no evidence to prove otherwise: a) All workers signed the employment agreements with the estates/mill. They understood the contents of agreement, as these were prepared in English/Bahasa as the case may be. For those who couldn't read, the contents were explained to them in language they understood, usually by fellow countrymen who has worked in Malaysia longer. b) They are aware of their working hours (8 hours) and confirmed they were paid overtime for any work in excess of 8 hours. There was no forced overtime. c) They have been getting salaries above RM1,100 since January 2019. Salaries were paid before the 7th of every month. d) No abuse at work, and no sexual harassment. They understand what constitutes sexual harassment. e) No discrimination between migrant workers and local workers, between male and female workers. f) Comfortable housing with water and electricity provided. g) Have access to affordable food from the canteen/sundry shops within the estate/mill premises. h) Entitled to free medical facilities at the estate clinic. i) Have representatives who attend regular meetings with the management where they can put forward any complaints and or raise any issues. They are aware of the complaints form. They have used them to complaint about house defects. j) They knew the types of work offered at <i>Tomanggong</i> CU (mill & estates) when they were in their countries of origin. k) All migrant workers keep their own passports.
2) Settlers	Not available for this audit.
3) Villagers / Local communities (including women representatives, displaced communities)	There was no land dispute reported/recorded. Relationship were harmonious and cordial.
4) Suppliers	Supplier of hardware since the establishment of the CU. Fair dealings with the units in <i>Tomanggong</i> CU. Payments are made within 1 months of invoice.
5) Contract workers	Not available for this audit.
6) Local & national NGOs	Relevant NGOs were HUMANA, WWF-Malaysia. No issues were raised / recorded. Relationship were harmonious and cordial.
7) Government agencies / Statutory bodies	The Government Agencies mainly related to statutory bodies e.g. MPOB, DOSH , DOE, NREB, JTK BOMBA, PDRM, Immigration Dept, Indonesian Consulate, Philippine Embassy. No issues were raised / recorded.
8) Independent growers / Smallholders	No issues were raised / recorded between the neighbouring estates.
9) Indigenous people	Not available during this audit.
10) Contractor	Most of the work in the <i>Tomanggong</i> CU is managed within the Company resources. Delivery of FFB and CPO are handled through own fleet of trailers and lorries. Mainly contract works are awarded to Contractors on construction of

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	houses, buildings and major mill maintenance especially on the annual shutdown. There were no issues raised / recorded. Signing of contract was with HSPB Head Office. Contract terms are clear and fair.
11) Previous land owner (if any)	Not available for this audit.
12) Others (please specify)	Food facilities are managed by HSPB. Each complex having separate club / food facilities. Provision shop available at the estates visited. No issues raised on the pricing and services.



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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 9 months from this audit.

### 2.0 SCOPE OF CERTIFICATION AUDIT

#### 2.1 Description of the certification unit

The Tomanggong Certification Unit (Tomanggong CU) is under the Hap Seng Plantations (River Estates) Sdn Bhd. which is a subsidiary of Hap Seng Plantations Holdings Bhd (HSPHB). The CU is located at Ladang Tomanggong Off 80 KM, Jalan Lahad Datu-Sandakan, Kinabatangan, Sabah, Malaysia. The Tomanggong CU consists of Tomanggong Palm Oil Mill (POM) and five supply base, namely the Tomanggong Estate, Litang Estate, Tagas Estate (certified), Tabin Estate and Northbank Estate (non-certified). A time bound plan had been established to include these two estates in the certification. The milling capacity of Tomanggong POM is 45 mt/hr.

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

The FFB is sourced from company owned estates of Tomanggong CU and independent suppliers, Northbank Estate and Tabin Estate which are still in the progress to be certified. Details of the FFB actual and projected contribution from each source to the mill are shown in the following tables.

**Table 1: Actual FFB production by the supply base for the last reporting period (Nov 2018 - Sept 2019)**

Estates	FFB Production	
	Tonnes	Percentage (%)
Tomanggong	14,845.84	9.69
Tagas	21,494.42	14.03
Litang	5,429.58	3.54
<b>Total</b>	<b>**41,769.84</b>	<b>27.26</b>
NorthBank	37,842.07	24.70
Tabin	50,526.81	32.98
Outside Crop	23,062.56	15.06
<b>Total Non-certified</b>	<b>111,431.44</b>	<b>72.74</b>
<b>OVERALL TOTAL</b>	<b>153,201.28</b>	<b>100.00</b>

\*\* FFB Production from Tomanggong CU has been diverted to CSPO-IP certified mill to fully utilize the demand for RSPO-IP certified product. This is the company marketing strategy and will be applicable in year 2020.

**Table 2: Projected FFB production by the supply base for the next reporting period (Nov2019 – Oct 2020)**

Estates	FFB Production	
	Tonnes	Percentage (%)
Tomanggong	45,612.00	16.63
Tagas	49,230.00	17.95
Litang	37,872.00	13.80
<b>Total certified</b>	<b>132,714.00</b>	<b>48.38</b>
NorthBank	45,606.00	16.63
Tabin	67,565.00	24.63
Outside Crop	28,400.00	10.36
<b>Total Non certified</b>	<b>141,571.00</b>	<b>51.62</b>
<b>OVERALL TOTAL</b>	<b>274,285.00</b>	<b>100.00</b>

**Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period (Nov 2018 – Sept 2019)**

RSPO Supply Chain Model : Mass Balance	Total (MT)
FFB Received	153,201.28
FFB Processed	153,201.28
Certified FFB	**41,769.84
Non Certified FFB	111,431.44
<b>Crude Palm Oil (CPO)</b>	
Overall CPO Production	32,890.50
Certified CPO Production	*8,761.46
Certified CPO delivered as RSPO	0.00
Certified CPO delivered as non-RSPO	8,761.46
Certified CPO delivered under other sustainable schemes	0.00
<b>Palm Kernel (PK)</b>	
Overall PK Production	6,964.62
Certified PK Production	*1,928.74
Certified PK delivered as RSPO	1,925.36
Certified PK delivered as non-RSPO	0.00
Certified CPO delivered under other sustainable schemes	0.00
Credits traded through Books and Claim	0.00

\*Low sales due to low production of the certified product at Tomanggong Mill.

\*\*FFB Production from Tomanggong CU has been diverted to CSPO-IP certified mill to fully utilize the demand for RSPO-IP certified product. This is the company marketing strategy and will be applicable in year 2020.

**Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period (Nov 2019 – Oct 2020)**

RSPO Supply Chain Model : Mass Balance	Estimated production Total (MT)
FFB Received	274,285.00
FFB Processed	274,285.00
Certified FFB Processed	132,714.00
Non-certified FFB Processed	141,571.00
<b>Crude Palm Oil (CPO)</b>	
Overall CPO Production	57,224.00
Certified CPO Production	28,511.00
Certified CPO delivered as RSPO	28,511.00
Certified CPO delivered as non-RSPO	0.00
Certified CPO delivered under other sustainable schemes	0.00
<b>Palm Kernel (PK)</b>	
Overall PK Production	11,648.00
Certified PK Production	5,730.00
Certified PK delivered as RSPO	5,730.00
Certified PK delivered as non-RSPO	0.00
Certified CPO delivered under other sustainable schemes	0.00

**Table 5 Planted and certified area of Tomanggong CU**

Estate	Planted (ha)	Certified (ha)
Tomanggong	2,407.00	2,654.80
Tagas	2,019.00	2,212.33
Litang	2,474.70	2,648.62
Total	6,900.70	7,515.75

**Table 6 Planting profile for Tomanggong Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1994	2 <sup>nd</sup>	Mature	324.5	13.48
1996	2 <sup>nd</sup>	Mature	348.5	14.48
1997	2 <sup>nd</sup>	Mature	101.0	4.20

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1998	1 <sup>st</sup>	Mature	401.5	16.68
2014	3 <sup>rd</sup>	Mature	393.2	16.34
2015	3 <sup>rd</sup>	Mature	143.0	5.94
2016	3 <sup>rd</sup>	Immature	352.0	14.62
2017	3 <sup>rd</sup>	Immature	343.3	14.26
<b>Total</b>			<b>2,407.00</b>	<b>100</b>

**Table 7: Planting profile for Tagas Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1994	1 <sup>st</sup>	Mature	189.0	9.36
1997	2 <sup>nd</sup>	Mature	185.0	9.16
2000	2 <sup>nd</sup>	Mature	668.0	33.09
2001	2 <sup>nd</sup>	Mature	414.0	20.51
2004	2 <sup>nd</sup>	Mature	234.5	11.61
2006	2 <sup>nd</sup>	Mature	328.5	16.27
<b>Total</b>			<b>2,019.00</b>	<b>100</b>

**Table 8: Planting profile for Litang Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1993	1 <sup>st</sup>	Mature	-	-
1994	1 <sup>st</sup>	Mature	397.9	16.08
1997	1 <sup>st</sup>	Mature	321.5	13.00
2011	2 <sup>nd</sup>	Mature	236.0	9.53
2012	2 <sup>nd</sup>	Mature	719.5	29.07
2015	3 <sup>rd</sup>	Mature	146.3	5.91
2017	3 <sup>rd</sup>	Immature	39.0	1.58
<b>Total</b>			<b>2,474.70</b>	<b>100</b>

### 2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

Name	:	Kee Keow Chong
Position	:	General Manager - Agronomy
Address	:	Hap Seng Plantations (River Estates) Sdn. Bhd. Batu 2, Jalan Kastam Baru, 91119 Lahad Datu, Sabah, Malaysia.
Phone no.	:	089-278183 / 0195532412
Fax no.	:	089 278168 / 089 278186
Email	:	keekc@hapseng.com / thomds@hapseng.com

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**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 :

Internal Assessment dated in 25 April 2017 was conducted based on RSPO Partial Certification Requirements. No significant non-compliance was observed by the organization. It has been noted that Hap Seng Plantation was progressively undergoing the RSPO Certification process towards 100% RSPO certification of their estates/mills. HCV Assessment at Northbank and Tabin Estate has been conducted in year 2013, completed the report on 20<sup>th</sup> Nov 2013. Northbank and Tabin Estate are currently undergone Remediation and Compensation Procedure (RaCP). The required LUCA data was submitted and has passed by the compensation panel. The company has already provided the Concept Note for review by RSPO. Latest internal assessment was carried out on 20-24<sup>th</sup> Feb 2019.

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?

iii. Are there associated smallholders (including scheme smallholders) in the CU  Yes  No

If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification?  Yes  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  Yes  No

3.3 Other changes (e.g. organizational structure, new contact person, addresses, etc.)

Not applicable.

3.4 Status of previous non-conformities \*  Closed  Not closed\*

\* If not closed, minor non conformity will be upgraded to major non conformity

3.5 Complaint received from stakeholder (if any)

No complaints from stakeholders were recorded nor received.

**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 : - Nil

Total no. of major NCR(s)  
(details refer to Attachment 4 ) List : - **MAR 01 2019**

4.2 For SC (Details checklist refer to Attachment 5) : Nil

Total no. of minor NCR(s)  
(details refer to Attachment 5) List : Nil

Total no. of major NCR(s)  
(details refer to Attachment 5 ) List : Nil

**5.0 AUDIT CONCLUSION**

The audit team concludes that the organization has / ~~has not~~\* 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.

**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.

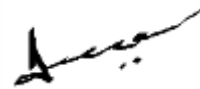
Recommended to continue certification.

Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

*Note: Major NCRs which are not addressed within a further 60 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 : AMIR B BAHARI



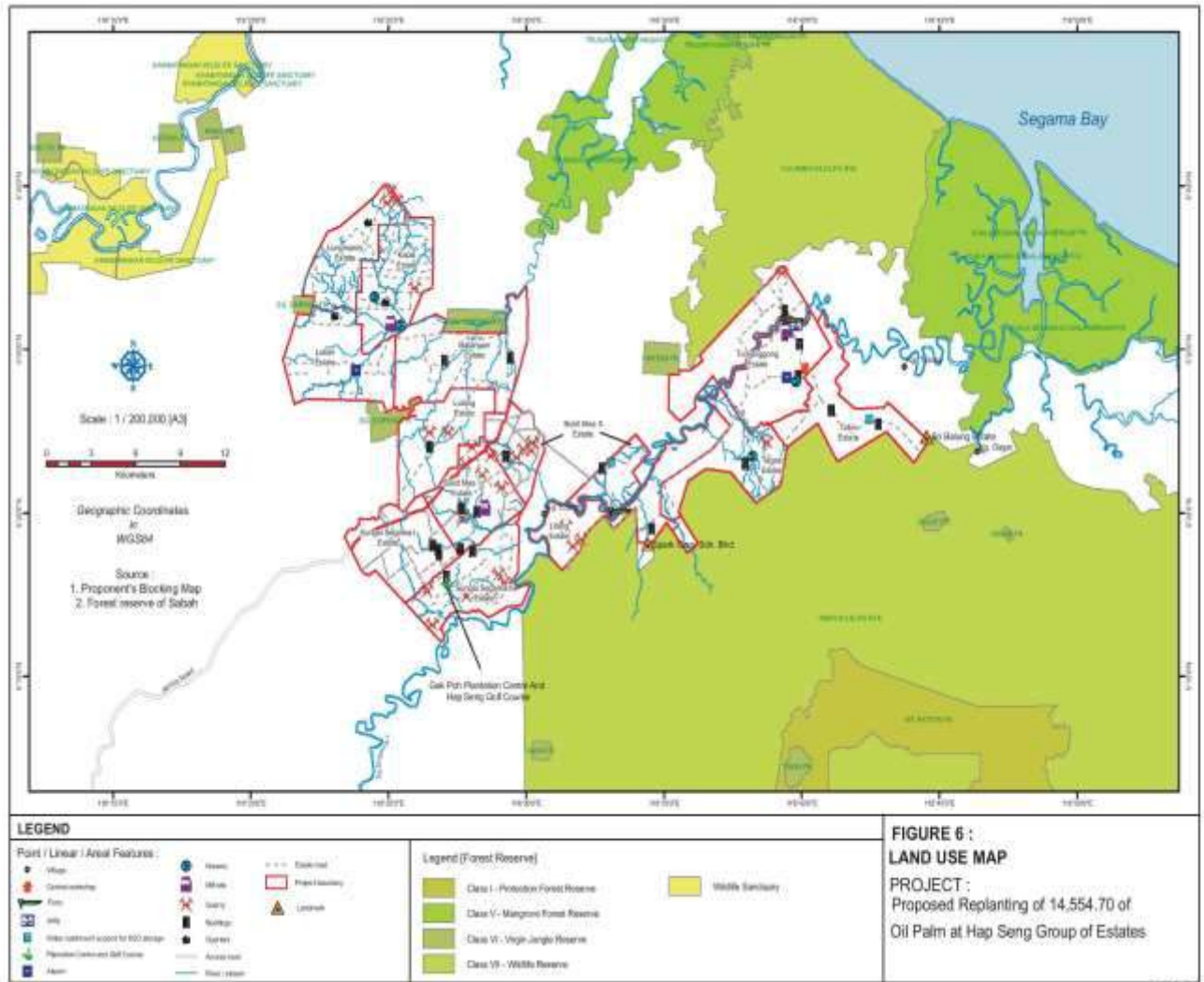
30/12/2019

(Name)

(Signature)

(Date)

Map of Tomanggong CU under Hap Seng Group of Estates



**RSPO P&C MYNI RECERTIFICATION AUDIT PLAN**

**1. Objectives**

The objectives of the audit are as follows:

- (i) To determine **Tomanggong Certification Unit** conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (ii) To verify the effective implementation of corrective actions arising from the findings of last audit
- (iii) To make appropriate recommendations based on the audit findings

**2. Date of assessment** : 21 - 24 Oct 2019

**3. Site of assessment** : Tomanggong Certification Unit

- Tomanggong Palm Oil Mill
- Tomanggong Estate
- Litang Estate
- Tagas Estate

**4. Reference Standard :**

- a) RSPO P&C MYNI:2014
- b) RSPO Certification Systems June 2007
- c) RSPO Supply Chain Standard 2017
- d) Company's audit criteria including Company's Manual/Procedures

**5. Assessment Team**

Assessor: Amir b Bahari (GAP,Safety Env)  
 Rozaimie b Ab Rahman (Env, Safety)  
 Mohd Zulfakar b Kamaruzaman (HCV, SCCS)  
 Mohd Ab Raouf b Asis (Social)

*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 programme, 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.

**10. Working Language** : English and Bahasa Malaysia

## RSPO PUBLIC SUMMARY REPORT

### 11. 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.

### 12. 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

13. **Assessment Programme Details** : As below



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Date / Time	Coverage of assessment / Activity / Site	AB	RAR	AB	MZK
<b>Day 1-21/10/19</b> 8.30am – 9.15am	<b>Opening Meeting – Venue: PCO</b> <ul style="list-style-type: none"> <li>Audit team Leader - Briefing on assessment objectives, scope, methodology, confidentiality clarification, audit criteria and programmes</li> <li>Organization Representative - Briefing RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB supply bases ,</li> <li>Time bound plan, uncertified management unit</li> <li>Actions taken to address previous audit findings.</li> </ul>	/	/	/	/
<b>Day 1 – 21/10/19</b> 9.15am – 12.30pm	<b>RSPO Supply Chain 2017</b> <ul style="list-style-type: none"> <li>RSPO Supply chain standard implementation including model requirements</li> </ul> <b>Site observation at Tomanggong POM P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>Environment, Occupational safety &amp; health aspects, chemical management</li> <li>Laws and regulations</li> <li>Interview with workers, contractors etc.</li> <li>Social aspects -SIA, management plan &amp; implementation, workers' quarters,</li> <li>Stakeholder consultation with affected communities surrounding the mill</li> <li>Interview with gender committee, safety committee, worker representative, contractors, supplier, etc</li> </ul>	/	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/	/
1.30pm – 5.00pm	Continue assessment at respective site	/	/	/	/
Date / Time	Coverage of assessment / Activity / Site	AB	RAR	AB	MZK
<b>Day 2-22/10/19</b> 8.30am – 12.30pm	<b>Site observation at Tomanggong Estate P1, P2, P3,P4,P5, P6, P7,P8</b> <ul style="list-style-type: none"> <li>Social aspects -SIA, management plan &amp; implementation, workers' quarters,</li> <li>Stakeholder consultation with affected communities surrounding the mill</li> <li>Interview with gender committee, safety committee, worker representative, contractors, supplier, etc.</li> <li>Occupational safety &amp; health aspects , chemical management</li> <li>Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching,</li> <li>IPM New planting - Environmental management, waste &amp; chemical management</li> <li>HCV/RTE</li> </ul>	/	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/	/
1.30pm – 5.00pm	Continue assessment at respective sites	/	/	/	/
Date / Time	Coverage of assessment / Activity / Site	AB	RAR	AB	MZK
<b>Day 3 – 23/10/19</b> 8.30am – 12.30pm	<b>Site observation at Tagas Estate P1, P2, P3,P4,P5, P6, P7,P8</b> <ul style="list-style-type: none"> <li>Social aspects -SIA, management plan &amp; implementation, workers' quarters,</li> <li>Stakeholder consultation with affected communities surrounding the mill</li> <li>Interview with gender committee, safety committee, worker representative, contractors, supplier, etc.</li> <li>Occupational safety &amp; health aspects , chemical management</li> <li>Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching,</li> <li>IPM New planting - Environmental management, waste &amp; chemical management</li> <li>HCV/RTE</li> </ul>	/	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/	/
1.30pm – 5.00pm	Continue assessment at respective site	/	/	/	/
Date / Time	Coverage of assessment / Activity / Site	AB	RAR	AB	MZK
<b>Day 4 – 24/10/19</b> 8.30am – 12.30pm	<b>Site observation at Litang Estate P1, P2, P3,P4,P5, P6, P7,P8</b> <ul style="list-style-type: none"> <li>Social aspects -SIA, management plan &amp; implementation, workers' quarters,</li> <li>Stakeholder consultation with affected communities surrounding the mill</li> <li>Interview with gender committee, safety committee, worker representative, contractors, supplier, etc.</li> </ul>	/	/	/	/

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	<ul style="list-style-type: none"> <li>• Occupational safety &amp; health aspects , chemical management</li> <li>• Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching,</li> <li>• IPM New planting</li> <li>• Environmental management, waste &amp; chemical management</li> <li>• HCV/RTE</li> </ul>				
12.30pm – 1.30pm	Lunch Break				
1.30pm – 4.00pm	Continue assessment at respective site	/	/	/	/
4.00pm – 5.00pm	<b>Closing meeting</b>	/	/	/	/

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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	Tomanggong CU had continued to implement the communication procedure as had been described and established for estates and mill. HSPHB has a website, <a href="http://www.hapsengplantations.com.my/index.php">http://www.hapsengplantations.com.my/index.php</a> which contains brief information about the company's structure, corporate profile, vision and mission, the business they were involved, financial and estates profiles information among others.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	Yes	The estates had identified personnel responsible for complaints. Records of communication were identified and maintained.
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	The right to use the land at Tomanggong CU can be demonstrated and not disputed by any party. Assessor sighted that there were clear land ownership documents
		Occupational health and safety plans	Yes	The Occupational Health & Safety Plan titled 'Occupational Safety & Health Plan 2019' has been established. Indicators set in the plan are being monitored. The audit on the progress monitoring of the programs identified is as in C 4.7 below.
		Plans and impact assessments relating to environmental and social impacts	Yes	The Environmental and Social Impact Assessment, management action plans, and continuous improvement plan for Tomanggong CU of Estate and mill maintained were made available by the CU and remained effective.
		HCV documentation summary	Yes	The report of "Potential High Conservation Value Area Assessment Report of Tomanggong CU, Hap Seng Sdn Bhd, Sabah" is available for public but must through the record request at management and prepared by the Sustainability Executive. The report was completed in 11 Oct 2017. Details refer 5.2
		Pollution prevention and reduction plans	Yes	The list of waste generated from estate and mill activities maintained available. All sources of pollution have been identified by management. Mitigation measure and action taken also made available. Among of activities covered include line site, office, drainage, planting, fertilizing, scheduled waste and mill operation. Details as described in criterion 5.6.
		Details of complaints and grievances	Yes	The system was open to all interested parties and there is evidence that estate community as well neighbouring community's use of the <i>Grievances Book</i> . The complaints and their solution /investigation were recorded and filed. The review of grievances book is obtainable upon the permission of The Manager. Additionally, HSPHB has a website,

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				<a href="http://www.hapsengplantations.com.my/index.php">http://www.hapsengplantations.com.my/index.php</a> , and interested parties/stakeholder has opportunity to file / forward any complaints/ comment.
		Negotiation procedures	Yes	The management documents relating to social are maintained. At the time of auditing there was no case of negotiation being recorded.
		Continual improvement plans		Tomanggong CU continued committed to utilize the established system to regularly monitor and reviewed their key activities at the estates, and initiated the relevant action plans for continuous improvement in its key areas of operations on environmental, safety, health and welfare as well as social contribution to workers and community.
		Public summary of certification assessment report;	Yes	The public summary is available at website by SIRIM QAS.
		Human Rights Policy	Yes	The Human Rights policy was made available at Tomanggong CU. Cross refer Criterion 6.13
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	Tomanggong CU had a documented policy to committing on integrity for all their staffs and workers. The code of conduct policy (Code of Conduct and Business Ethic Policy), issued on 1 March 2018 has been communicated to the staffs and foreign workers during induction courses.

**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	No	In general Tomanggong CU continued to comply with most of the applicable local, national and ratified international laws and regulations, the relevant licences and permits were verified at CU. However, Tagas and Litang ('Estates') did not comply with relevant legal requirements i.e Immigration Act 1959 (Act 155) and Regulation and Orders. Based on sampling, the following estates i.e Tagas and Litang Estates permit undocumented immigrant children of workers to enter or remained at the premises, in contravention with Section 55E Immigration Act). Therefore, a major NCR was raised as MAR 01 2019.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	Yes	The Legal Register is maintained and updated by The Agronomist Department (Sustainability Unit) The latest update being in June 2019 in relation to Employment Insurance System Act 2017 and Factories & Machinerics (Noise Exposure) (Revocation) 2019. The person in charge of compliance legal requirement (LRR) for <i>Tomanggong CU</i> is The General Manager.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	Yes	Tomanggong CU maintained its mechanism to ensure that all the applicable legal requirements are implemented.
	2.1.4	A system for tracking any changes in the law shall be	Yes	The CU maintained documented system for identifying and tracking the updates of the applicable legal requirements through various media such as Law Net, internet, newsletter, etc. All the new

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		implemented. Minor Compliance		amendment of applicable regulations was included in the legal register. This was sighted and verified in the revised LRR.
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, recognized NCR land) and the actual legal use of the land shall be available. Major Compliance	Yes	The right to use the land at <i>Tomanggong</i> CU can be demonstrated and not disputed by any party. Assessor sighted that there were clear land ownership documents which is Hap Seng Plantations acquire/buy the land from Sabah State Government in 1895 -1969. Land titles were available in documents. The original copies of the documents however, were kept in Plantation Central Office, Sg. Segama. Copies of land titles for all estates were sighted. All the estates were under the jurisdiction of Kinabatangan District. Document review shows it was confirmed the terms of the land title for all the estates cultivation of an agricultural crop of economic value have been complied.
	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	The perimeter boundary of the estates was visibly maintained by erecting pegs along the boundary. During the site review, most of the boundary stones had been located and visibly maintained at all the CU estates. The Estates have maps showing the locations of boundary stones that have been physically located and marked. Inspection of boundary stones/markers/trenching at the 3 estates, during the field inspection confirmed that they were clearly marked and maintained.
	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	In 2.2.1 of this report it has been verified that the land is legitimately owned by <i>Hap Seng Plantations</i> since 1895 -1969. The audit team had confirmed that there was no land issues or as such related to the previous owners.
	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	In 2.2.1 of this report it has been verified that the land is legitimately owned by <i>Hap Seng Plantations</i> since 1895 -1969. The audit team had confirmed that there was no land issues or as such related to the previous owners.
	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	In 2.2.1 of this report it has been verified that the land is legitimately owned by <i>Hap Seng Plantations</i> since 1895 -1969. The audit team had confirmed that there was no land issues or as such related to the previous owners.

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	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 ops. Major Compliance	Yes	In 2.2.1 of this report it has been verified that the land is legitimately owned by <i>Hap Seng Plantations</i> since 1895 -1969. The audit team had confirmed that there was no land issues or as such related to the previous owners and noted that there is 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 recognized legal, customary or user rights shall be developed through participatory mapping involving affected parties (incl. neighboring communities where applicable, and relevant authorities). Major Compliance	Yes	In 2.2.1 of this report <i>Tomanggong CU</i> has been developed since 1895 -1969. All the related documentation regarding the land acquisition was kept in Hap Seng HQ (PCO) Office and was verified by the auditor. There were no issues regarding land with villagers, local community and neighboring estate. Hence, there was no map showing the legal, customary or user right of other users since 1895 -1969.
	2.3.2	Copies of negotiated agreements detailing the process of FPIC 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 social implications for permitting operations on their land have been understood and accepted	Yes	There was no land dispute issue with any of the neighbouring private oil palm plantations. Based on the audit findings, copies of negotiated agreements on FPIC and other evidences required by these indicators a) to c) were not applicable.

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		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	NA	As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator is not applicable in <i>Tomanggong CU</i> .
	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	NA	There was no evidence of land being encumbered by customary rights or disputes from any stakeholder at <i>Tomanggong CU</i> .

**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 (min. 3yrs) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	Yes	All the operating units audited possessed a minimum 5-year financial plan comprising of both OPEX and CAPEX. The cost of production was reviewed and compared against expenditure each year with projections in place for future years.
	3.1.2	An annual replanting prog. projected for a minimum of five years with yearly review, shall be available. Minor Compliance	Yes	All the estates in the Tomanggong CU maintained records of replanting for a horizon of 5 years. Reviewed during audit.

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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	<i>Tomanggung CU</i> continued to use the established manuals separately for both estates and mill. workshop, gen-set operation, oil trap, - scheduled waste store and water treatment.. a) Management of Environmental Aspects ( <i>Pengurusan Aspek Alam Sekitar</i> ) dated 6/9/17 b) <i>Pemberitahuan Kemalangan Kejadian Berbahaya Keracunan Dan Penyakit Pekerjaan</i> dated 26/9/17. c) Confined Space Working Procedure ( <i>Prosedur Bekerja Di Ruang Terkurung</i> ) dated 10/9/17 d) Emergency Respond Plan Flood / Erosion /Fire dated 11/10/17
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	Yes	Both the estates and the Mill had an established mechanism to perform checking to ensure consistent implementation of procedures. Relevant records were kept for a minimum period of 12 months. In addition the management adopted the following check and balances though visit of the following dept /superiors.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Yes	The CU maintained its relevant records of monitoring. Verified on site.
	4.1.4	The mill shall record the origins of all third-party sourced FFB. Major Compliance	Yes	All the received FFB (internal and external) are recorded in a manner that information about the origin, transportation details and volume are made available. In addition, Joint Consultative Council Meeting was also being maintained accordingly. All certified FFB came from CU estates and non-certified FFB from independent FFB suppliers. All delivery documents of third party FFB were verified to ensure the certified status of the FFB. Volumes of certified and non-certified FFBs received by the mill were recorded and monitored.
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	<i>Tomanggung CU</i> are guided and adopted the established manuals and standard operating procedures among others for the day-to-day operations. The fertilizer application SOP was latest revised in Oct 2014. Therein elaborating details on the nursery, immature, mature palm manuring type of fertilizers. Application of fertilizer timing and placement were also described. Other information includes sub-soil manuring, fertilizer sampling, and stacking of fertilizer in estate store.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	Yes	Fertilizer inputs were based on recommendation by the Hap Seng's Agronomy Department. The application programs were monitored using program sheets, bin cards, field cost book and manuring program sheets. Records of programs and applications of fertilizers were available. Records showed that actual applied in 2019 was in line with recommendations in both estates.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient	Yes	Periodic tissue and soil sampling are performed in <i>Tomanggung CU</i> in a 5-year cycle to monitor changes in nutrient status. The results formed the basis for the fertilizers input recommendation. <i>Tomanggung estate</i> . The latest soil sampling made in June 2019. There was no obvious change of



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		status. Minor Compliance		latest 2016 soil chemical properties as compared to previous years where estate is required to maintain the current agronomic practices recommended.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues. Minor Compliance	Yes	EFB is applied based on Agronomist recommendations. Immature area at rate of 25 mt/ha. Sighted the following records;
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	All the three estates visited maintained a recognized soil series map maintained for the guidance of the estates operations. In addition, the topography map is kept for the same purposes.
	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	Terraces are constructed, and the cover crop are planted to enhance the erosion and growth of palms and to facilitate the collection of FFB in maturity for the duration of palm age to 25 years. Areas above 25 degree will be left uncultivated in compliance with the Company's planting guidelines and policy.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	Yes	Budget is available and utilized by the estates. The road management is handled by the TCU for the entire CU. Sighted road program for 2018 having details as follows. The roads to be included in the program is drawn in the estate map for monitoring purposes.
	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	No peat soil observed in Litang, Tagas and Tomanggong Estate. The fact was supported by the soil map prepared by the Group Agronomy Dept.
	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	No peat soil observed in Litang, Tagas and Tomanggong Estate. The fact was supported by the soil map prepared by the Group Agronomy Dept.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	Yes	No peat soil observed in Litang, Tagas and Tomanggong Estate. The fact was supported by the soil map prepared by the Group Agronomy Dept.
	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
4.4.2		Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones	Yes	The protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones is available and described in the following SOPs.

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		(refer to national best practice and national guidelines) shall be demo. Major Compliance		
	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	Effluent is treated to meet the standard set by DOE. The results as taken at random as shown below. All figures in mg/L except for pH. There were no major issues encountered by the Mill in meeting the standards with occasionally marginal differences.
	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	Yes	The mill processing water is obtained from the water catchment adjacent to the mill complex. The water usage monitoring is made on monthly basis.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate IPM techniques.	4.5.1	Implementation of IPM plans shall be monitored. Major Compliance	Yes	All the visited estates continued to manage pests, disease, weeds and invasive introduced species using the appropriate IPM techniques it is guided by the manual established. The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	Yes	IPM training conducted and the records were viewed accordingly.
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	The use of all agrochemicals by the estates was guided by the following documents; a) OPAP (Chapter 9) Upkeep of Mature oil palm (for herbicide) b) OPAP Chapter 10 (for <i>insecticide/rodenticide</i> ) and c) SSOP where written justifications had been provided. 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	All the visited estates had maintained records with the following details; a) the types of pesticides used with active ingredients b) their LD50 c) where these pesticides had been used. d) The total quantity used number of applications and active ingredients (ai) per Ha were also recorded. These include mature and immature areas. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field cost books and in progress reports. Records of pesticides used were available for verification. All estates had documented programs for spraying pesticides.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated	Yes	In implementing and adherence to the IPM plans, the management of the three estates had established nectariferous beneficial plants i.e. <i>Cassia cobanensis</i> , / <i>Antigonan leptopus</i> and / <i>Turnera sublata</i> ). Nurseries were established for continuous planting in order to attract natural

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		Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance		predators and thus to reduce use of insecticides. During visits to the fields planting of the beneficial plant has been made guided at a ratio of 1 dm: 1 ha following sequence of CAT (60:20:20). However, the growth progression varies from area to area. Pheromone traps to capture Rhinoceros Beetles were sighted in the immature areas 2017/2018/2019 replants. There was no evidence on prophylactic use of pesticides in the audited estates.
	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 Reg. (2000). Minor Compliance	Yes	All the visited estates only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations 2000. Records and interviews with workers, staff and estate assistants, concluded that that they were trained and cautioned, and all precautions taken, and all legal requirements are met.
	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 acc. with the product label. Appropriate safety and application eq shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers. Major Compliance	Yes	The estates and mill held training in relation to the chemical handling were reviewed accordingly.
	4.6.6	Storage of all pesticides shall be according to recognize best practices. All pesticide containers shall be properly	Yes	The chemical stores in all estates comply with the respective legislative requirement; Occupational Safety and Health Act 1994 (Act 514) and Pesticides Act 1974 (Act 149). a) Records of purchase, storage and use were maintained. b) All stores were equipped with adequate no of exhaust fans with the door was secured and

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	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 Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance		<p>kept under locked at all times.</p> <p>c) Only authorized personnel are allowed to handle the chemicals and entrance inside the chemical store.</p> <p>d) All the chemicals were segregated accordingly sufficiently labelled, with the CSDS displayed. The upkeep of the store is clean and systematically organized.</p> <p>There was availability of class 1b chemical, Methamidophos (Enforce) in Tomanggong and Litang Estates kept in a locked separate room due to stoppage of application for the bagworm treatment. Empty pesticides containers were triple rinsed, holes punched in them and stored separately in the scheduled wastes store prior proper disposal.</p>
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	Yes	<p>The pesticide applications were guided by the following;</p> <p>a) HSPHB's OPAP manual</p> <ul style="list-style-type: none"> <li>- In the OPAP manual the guidance was in Chapter 9 – Upkeep of Mature oil palm (for herbicide) and Chapter 10 (for insecticide/rodenticide).</li> <li>- The Manual had included a chemical register list, which indicates the purpose of usage (intended target), hazards signage, trade and generic names.</li> <li>- The SOP procedure also had written justifications</li> </ul> <p>b) CHRA (chemical hazard risk assessment)</p> <p>c) MSDS provided by the manufacturer.</p> <p>d) The CHRA for the estates was reviewed in December 2015 by appointed third party.</p>
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 in all the visited estates. There was no evidence to show that aerial spraying was carried out. All estates only practices circle spraying and selective spraying which is only for targeted species such as woodies and VOPs.
4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demo or made available. Minor Compliance	Yes	Continuous training program are initiated and made to the employees involved in the pesticide handling to enhance their skill and knowledge. The 2019 program has been prepared and already implemented according to the schedule in phases.
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	Internal procedure available. Collection is made by a DOE licensed contractor. Domestic wastes are disposed in the estates respective land fill areas adequately distance from housing complexes and water course. All landfill areas were visited and confirmed in compliance to the requirement. The sites were maintained in a neat and tidy condition. <i>Tomanggong Estate</i> manages the domestic waste of the mill.

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	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	Yes	The CHRA for the mill and estates was within the 5 year validity period. The details of the CHRA for all the units in Tomanggong CU as shown below. The recommendation from the CHRA is mainly on the training for operators working in laboratory, ETP, WTP, Boiler, workshop, scheduled waste, chemical operator and chemical store. In addition the assessor recommended medical surveillance is conducted for the categories of employees in the workshop and laboratory and chemicals handlers. Similar CHRA was compiled for the estates with details provided below. The CHRA report among others described requirement of medical surveillance to be made for listed category of employees. Results from assessments were showed all the workers/staff were fit to handle chemicals. Results showed that monitored personnel for the chemicals exposure monitoring were below Permissible Exposure Limit (PEL) as stipulated in USECHH Regulation 2000.
	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 and breast-feeding women sprayers performed spraying activity in all estates visit. Workers interviewed were aware that pregnant and breast-feeding women should not handle chemicals. Monitoring of pregnancy and lactating was conducted on every quarterly by the estate HA.
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.	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	The OSH plans were documented and implemented with effectiveness monitoring and timeline, PIC was identified.
The occupational health and safety plan shall cover the following:	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	Yes	The Mill and Estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following; a) Change in work process b) Revision/changes in legislative requirement c) Occurrence of accidents HIRARC for the mill/estates was formalized on in 2012 with review made annually. Appropriate risk control measures were determined and implemented for the respective activities and operation. In general, the control measures were appropriate to the identified risks. A person-in-charge at each site was appointed to monitor the implementation of the control measures through the 5S initiative.
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices. Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially	Yes	Trainings and briefings on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. Training for employees are conducted from time to time based on needs through various method such as on the job training, briefings, meetings, etc. The staff and workers such as the storekeepers, Mill workers, harvesters, pruners, field workers, sprayers, fertilizer and rat bait workers were trained, and they had understood the hazards involved and how the chemicals should be used in a safe manner. Based on the HIRARC carried out at the estates and mill the PPE types for the various activities has been identified and implemented.

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		hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance		
4.7.4		The responsible person/s 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	All the Estates / Mill Managers were appointed as the Chairman of the ESH committee. The letter of appointment for the Managers signed by the Regional CEO was sighted. The Managers subsequently assigned duties of ESH coordinator to the Assistants for the down line implementation of ESH practices in the estates. Similar appointment was made for all the estates and the mill. All identified Executives were officially given a letter for such an appointment. The estates and the mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. The dates of meeting held by the estates are recorded below: a) Previous minutes and arising matters. b) Medical Assistant Report (Monthly Accident statistics) c) Workplace Inspection / Safety Audit d) Emergency Respond Plan / Electrical Report & Housing e) Safety programme & training
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	Yes	Procedures guidelines were issued by Agronomy Dept (Sustainability Unit) and amended to tailor to the situation differences in the estates and mills. ERT members will receive training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The trainings are conducted by an accredited or qualified organisation who can demonstrate their suitability to provide training. The trained personnel for the First Aid were among the employees working in the mill on shift and the estates staff/mandores. The first aid boxes were available at various points in the mill complex including laboratory, office, workshop, process control room etc. Similarly, the estates distributed the first aid box to the mandores and brought along to the field during operations. In addition, there are also first aid boxes kept in the office, store and workshops. Telephone numbers and names of the members of the Emergency Response Team (ERT) were communicated to all employees and displayed at notice boards. Telephone numbers of the PIC, Police Station, Fire Brigade, and Hospital were also exhibited for information.
4.7.6		All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Yes	Tomanggong CU provides medical care to Group Estate workers with Klinik Ladang established within the premises. Cases requiring higher attention of medical care are referred to Hospital Lahad Datu located approximately 60 km from the Estates/Mill vicinity. FWs were covered with LONPAC Insurance Berhad Local workers are covered by SOCSO, verified through ' <i>Jadual Caruman Bulanan</i> ', Aug, Sept 2019 for Mill & Estates.
4.7.7		Occupational injuries shall be recorded using Lost Time	Yes	Accident statistics are being maintained and periodically reviewed (quarterly basis) during 'Health and Safety' committee meeting – minutes reviewed. Tomanggong Estate incident in Aug 2019 of 10

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		Accident (LTA) metrics. Minor Compliance		LTI workshop personnel injured at LHS finger while attending to a lorry repair. Investigation was made by the committee of 21 members. Report is conclusive. The Mill had 8 cases of hearing impairment. All being given with appropriate PPE and also attributed to age factor. Description of individual cases been mentioned in the JKPP 8 submission.
C 4.8  All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training prog. shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the prog. Major Compliance	Yes	Formal training program which cover all aspects of RSPO P&C was available for year 2019. It was established based on training needs identification. Regular assessments of the effectiveness training continued conducted by the CU management. Training plan for 2019 had been established with target month/dates for the training identified. The training program among others includes:
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	<i>Tomanggong CU</i> continued to train its executives, staff and workers. Records of training were kept in the training file. The records included information on the title of the training, name and signature of the attendees, name of the trainer, time and venue. Records including date, subject and no of attendees for each unit are shown therein.

**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 demonstrate continual improvement.	5.1.1	An environmental impact assessment (EIA) shall be documented. Major Compliance	Yes	The latest environment aspect impact assessment was reviewed on Aug 2018 to cover all activities in Tomanggong Groups. The main purpose of for this assessment was to evaluate and analyse impact on soil, water, and lair associated with the organization activities. Among environment aspects assessed were agrochemical applications, land and water contamination from hazardous material and farm vehicles, human settlement disturbance and abandonment. The environmental aspect and impact (EAI) also 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 aspects are air emission from boiler stack, generation of the palm oil mill effluent (POME) and land contamination which related to the management of scheduled wastes and domestic waste.
	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 developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/s. Minor Compliance	Yes	There is no changes were made to the environmental aspects and impacts or current practices which require changes in the environmental action plans. An Environmental Impact Assessment (EIA) Plan has been established with latest update on 5-8/09/2019 by the Sustainability Executive. The Plan therein consists of the Person(s) In Charge and mitigating actions/management plans. A time table for the monitoring has been established and being addressed accordingly. The relevant plans and measures were Environmental Improvement Plan 2019, Management Action Plan 2019, Waste Management Plan 2019 and Fossil Fuel Management Plan 2019.

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	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 CU has developed an “Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plan for Tomanggong Group” to monitor the effectiveness of the mitigation measures taken. Relevant activities were being monitored accordingly.
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 of “ <i>Potential High Conservation Value Area Assessment Report of Tomanggong Group of Estates and Tomanggong Palm Oil Mill</i> ” is available and prepared by the Sustainability Executive. The report was completed in Sept 2018 had covered all the High Conservation Value (HCV) within and adjacent to the CU. The HCV assessment had identified on the rare, threatened and endangered species (RTEs) for estate named <i>Tomanggong, Litang, Tagas, Tabin and North Bank</i> , including the management and action plan. In general, Tomanggong CU had identified 6 potential HCV in the whole estates.
	5.2.2	Where RTE species, or HCVs, are present or are affected by plantation or mill ops, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	Yes	Tomanggong CU has established HCV action plan 2019 for Kulamba Wildlife Forest Reserve, Tabin Wildlife Forest Reserve, tributaries of <i>Sg Segama across Tagas Estate</i> , Cemetery at Litang and <i>Tomanggong Estate and Sg Segama river</i> . The estate planned to prohibit entrance to HCV areas, erected signboards at the boundary, prohibited logging, illegal hunting, support forestry department, wildlife department, BORA and WWF, periodic visit to the forest boundary. While for riparian, prohibiting any cutting down of the trees at the area, prohibition of manuring and spraying, not allowed encroach into the riparian reserve and periodic visit. And for Cemetery the CU has construct fencing and Signboard.
	5.2.3	There shall be a prog. to regularly educate the workforce about the status of these RTE 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	Yes	The following program has been established in relation to the HCV/RTE protection during the year 2019. A training programme for year 2019 was available.
	5.2.4	Where an action plan has been created there shall be ongoing	Yes	Tomanggong CU is committed to discourage any illegal or inappropriate hunting fishing or collecting activities.



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		<p>monitoring:</p> <ul style="list-style-type: none"> <li>The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>Outcomes of monitoring shall be fed back into the action plan.</li> </ul> <p>Minor Compliance</p>		
	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	NA	There was no local communities living nearby with Tomanggong CU.
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	<i>Tomanggong CU</i> has identified all wastes and sources of pollution. The list of waste generated for the estates and mill were established to mitigate and control the identified wastes and source of pollution.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	The CU has identified the list of generated wastes produced from the activities of both estates and mill. Inventory and consignment documents verified for confirmation of proper management and disposal. All the chemical containers were disposed accordingly through a DOE registered scheduled waste collector.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance	Yes	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented as discussed in Ind. 5.1.3 above. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. Among of waste management has been implement.
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	<i>Tomanggong CU</i> had established a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy. The plan contained in documented " <i>Fossil Fuel Management Plan 2019</i> ".
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific	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</i>	Yes	HSPHB maintained a policy of no open burning sighted policy title Sustainable Agriculture Policy dated Feb 2017. All estates visited had not practiced any open burning and there was no evidence to show that fire had been used for preparing land for replanting. Observed trunk were chipped and stacked at inter row.

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situations as identified in the ASEAN guidelines or other regional best practice		<i>ASEAN Policy on Zero Burning' 2003. Major Compliance</i>		
	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' 2003. Minor Compliance</i>	Yes	The CU had not practiced any open burning and there was no evidence to show that fire had been used for preparing land for replanting in both estates. All palms were chipped and left decomposed at field.
C 5.6 Preamble Growers and millers commit to reporting on operational GHG emissions. However, it is recognized that these significant emissions cannot be monitored completely or	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate / soot emissions and effluent.	Yes	No changes on environmental aspects and impact or new polluting activities observed. The existing EIA documents had identified generation of gaseous emissions from its operation such as lorries and farm tractor. Noted the documents had been reviewed annually at each operating units.
	5.6.2	Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance		Tomanggong Group had identified emission of GHG from their operations such as emission from their farm tractor and gen set operation. The management from both estates and mill had planned to reduce emission by daily inspection and monitoring for their farm tractor and gen set to prevent any leakage and problem that could adverse impact the environment, Fuel Consumption, Peat Oxidation, POME and reported in the PalmGHG Summary Report.

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<p>measured accurately with current 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, incl. are developed, implemented and monitored.</p>	<p>5.6.3</p>	<p>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</p>	<p align="center">Yes</p>	<p><b>The net GHG emissions from Palm GHG calculator; Option 1</b></p> <p><b>Summary of Net GHG Emissions</b></p> <table border="1"> <thead> <tr> <th>Emissions per Product</th> <th>tCO2e/tProduct</th> <th>Extraction</th> <th>%</th> <th>Production</th> <th>t/yr</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td align="center">1.8</td> <td>OER</td> <td align="center">21.39</td> <td>FFB Processed</td> <td align="right">154640.19</td> </tr> <tr> <td>PK</td> <td align="center">1.8</td> <td>KER</td> <td align="center">4.42</td> <td>CPO Produced</td> <td align="right">33071.22</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Land Use</th> <th>ha</th> </tr> </thead> <tbody> <tr> <td>OP planted area</td> <td align="right">11376.91</td> </tr> <tr> <td>OP planted on peat</td> <td align="center">0</td> </tr> <tr> <td>Conservation (forested)</td> <td align="right">47.67</td> </tr> <tr> <td>Conservation (non-forested)</td> <td align="center">0</td> </tr> <tr> <td><b>Total</b></td> <td align="right"><b>11376.91</b></td> </tr> </tbody> </table> <p align="center"><b>Summary of Plantation Emissions and Sinks</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Own Crop</th> <th colspan="2">Group</th> <th colspan="2">3rd Party</th> <th colspan="2">Total</th> </tr> <tr> <th>tCO2e</th> <th>tCO2e/tFFB</th> <th>tCO2e</th> <th>tCO2e/tFFB</th> <th>tCO2e</th> <th>tCO2e/tFFB</th> <th>tCO2e</th> <th>tCO2e/tFFB</th> </tr> </thead> <tbody> <tr> <td><b>Emissions</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Land Conversion</td> <td align="right">85415.25</td> <td align="right">0.63</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> </tr> <tr> <td>*CO2 Emissions from Fertiliser</td> <td align="right">1298.02</td> <td align="right">0.01</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> </tr> <tr> <td>**N2O Emissions</td> <td align="right">3660.05</td> <td align="right">0.03</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> </tr> <tr> <td>Fuel Consumption</td> <td align="right">3205.06</td> <td align="right">0.03</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> </tr> <tr> <td>Peat Oxidation</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> </tr> <tr> <td><b>Sinks</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Crop Sequestration</td> <td align="right">64742.64</td> <td align="right">-0.48</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> </tr> <tr> <td>Conservation Sequestration</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> <td align="center">0</td> </tr> <tr> <td><b>Total</b></td> <td align="right"><b>28835.76</b></td> <td align="right"><b>3.78</b></td> <td align="right"><b>0.21</b></td> <td align="center"><b>0</b></td> <td align="center"><b>0</b></td> <td align="center"><b>0</b></td> <td align="center"><b>0</b></td> <td align="center"><b>0</b></td> </tr> </tbody> </table>	Emissions per Product	tCO2e/tProduct	Extraction	%	Production	t/yr	CPO	1.8	OER	21.39	FFB Processed	154640.19	PK	1.8	KER	4.42	CPO Produced	33071.22	Land Use	ha	OP planted area	11376.91	OP planted on peat	0	Conservation (forested)	47.67	Conservation (non-forested)	0	<b>Total</b>	<b>11376.91</b>		Own Crop		Group		3rd Party		Total		tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	<b>Emissions</b>									Land Conversion	85415.25	0.63	0	0	0	0	0	0	*CO2 Emissions from Fertiliser	1298.02	0.01	0	0	0	0	0	0	**N2O Emissions	3660.05	0.03	0	0	0	0	0	0	Fuel Consumption	3205.06	0.03	0	0	0	0	0	0	Peat Oxidation	0	0	0	0	0	0	0	0	<b>Sinks</b>									Crop Sequestration	64742.64	-0.48	0	0	0	0	0	0	Conservation Sequestration	0	0	0	0	0	0	0	0	<b>Total</b>	<b>28835.76</b>	<b>3.78</b>	<b>0.21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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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	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	Yes	The CU maintained its documented SIA titled "Social Impact Assessment, Management Action Plans and Continuous Improvement Plans" first report dated in Oct 2012. The report however, updated until six (6) times and the latest updated in Sep 2019. The assessment had covered operation aspects of plantation and mill. Among the social aspect covered, include employment opportunity, amenities and facilities, PPE and medical for employees, etc. The progress of plans noted reviewed annually. The review conducted with relevant stakeholders through Joint Consultative Committee (JCC) Meeting.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Yes	The SIA was done with the participation of the affected parties as evidenced from the report reviewed. The stakeholders consulted were Tomanggong's relevant stakeholders who included its own workers, government agencies such as MPOA, Immigration Department, Lahad Datu Police Department, Wildlife Department, and Sabah Forestry Department. Also present were neighbouring estates.
	6.1.3	Plans for avoidance or mitigation of negative impacts and	Yes	The SIA Action Plans for avoidance or mitigation of negative impacts and promotion of the positive ones as well as monitoring of impacts, have been developed in consultation with the affected

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demonstrate continual improvement.		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		parties. The issues raised, actions to be taken and timeframe and person responsible for implementation were documented and timetabled as seen in Appendices 7, 10 and 11, reviewed on site.
	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	Based on records available, there is evidence that the SIA Action Plan was reviewed at least once a year and updated as necessary. From the 1 <sup>st</sup> Report dated October 2012, reviews were made on an annual basis. The 2 <sup>nd</sup> report was done on October 2015, followed by 3 <sup>rd</sup> report on October 2016, 4 <sup>th</sup> report on October 2017, 5 <sup>th</sup> report on September 2018 and latest 6 <sup>th</sup> report on September 2019.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance	Yes	Tomanggong CU does not include any smallholder schemes and hence Indicator 6.1.5 is not applicable.
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	There is a documented consultation and communication procedures identified as Stake-holder Consultation Proc. dated Nov 2018. This procedure identifies impacts of the Company's operations on its stakeholders based on interview, consultation, discussion and meetings with its stakeholders.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	Yes	The respective management officials responsible for social issues which included maintenance of peace, welfare, safety and health were appointed thru appointment letter.
	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	The stakeholder lists for all the units, namely <i>Tomanggong, Litang Estate and Tagas Estates</i> , as well as <i>Tomanggong Palm Oil Mill</i> were all available and sighted during the surveillance audit. Records of all communications, including confirmation of receipt are maintained. The Company also demonstrated that efforts were made to ensure understanding by affected parties.
C 6.3 There is a mutually	6.3.1	The system, open to all affected parties, shall resolve disputes in	Yes	There is a documented system for dealing with complaints and grievances.

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<p>agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p>		<p>an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle blowers, where requested. Major Compliance</p>		
<p>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.</p>	<p>6.3.2</p>	<p>Doc of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance</p>	<p>Yes</p>	<p>Documentation of both the process of which a dispute was resolved and the outcome was available. Complaint feedback logbook where complaints are recorded and filed was reviewed. For <i>Tomanggong Palm Oil Mill</i> and all the Estates within Tomanggong Group, the logbooks mainly comprise complaints from workers on repairs that need to be done to their houses. The Complaints Form have details such as name of complainant, date of complaint, types of complaint, and signature of person receiving the complaint, and an action column which states the actions carried out. Based on the above, it was evident that the process by which a dispute was resolved and the outcome were available.</p>
	<p>6.4.1</p>	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance</p>	<p>Yes</p>	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation as well as for calculating and distributing fair compensation (monetary or otherwise) has been established.</p>
	<p>6.4.2</p>	<p>A proc. for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This proc shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants, long-established comm.; differences in ethnic groups' proof of legal vs communal ownership of land. Minor Compliance</p>	<p>Yes</p>	<p>The Company also has a Sustainable Agricultural Policy dated Feb 2017. As of the date of the audit, no case of negotiation and payment of compensation has been carried out for verification of implementation.</p>
	<p>6.4.3</p>	<p>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</p>	<p>Yes</p>	<p>As of the date of the audit, no case of negotiation and payment of compensation has been carried out for verification of implementation.</p>

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<p>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</p>	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	Yes	Pay and conditions are documented and made available during the surveillance audit. These are contained in the workers' Order 2016 (up until Dec 2018), and Minimum Wages (Amendment) Order 2018 (from January 2019 onwards) and the Sabah Labour Ordinance.
	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	Yes	<p>Tomanggong CU issues out contracts of employment to all its foreign employees, and letters of offer of employment to its Malaysian employees.</p> <ul style="list-style-type: none"> <li>a) The contracts detail out payments and conditions of employment (e.g. wages payable, working hours, deductions, overtime, sickness, insurance coverage, retirement age, holiday entitlement, maternity leave, reasons for dismissal, period of termination notice, mutual termination rights, etc).</li> <li>b) The employment contracts were prepared in Bahasa Malaysia which is the language understood by the Malaysian and Indonesia workforce.</li> <li>c) The contents of the contract were explained to them by the management representative. Both the workers and the management representative confirmed this during the interview. The workers' understandings were confirmed before they were asked to either sign or thumbprint on their respective employment contracts.</li> </ul> <p>The Company deducts from workers' pay for payments of electricity, acquisition of work tools from the store, payments for processing of travelling documents for workers and dependants, medical expenses for dependants, and dependant's travelling costs to hospital. These deductions were made with the workers' written consent and written permission granted by the Labour Office granted to the POM and Estates.</p>
	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. Minor Compliance	Yes	<p>The Company provides adequate housing for all their Mill and Estate workers.</p> <ul style="list-style-type: none"> <li>a) Workers are also accorded water supplies, electricity, medical, educational and welfare as required under the Workers' Minimum Standard of Housing and Amenities Act 1990.</li> <li>b) This was observed during field visits to the workers' housing for all the Estates and Mill at Tomanggong CU. Among the facilities provided include NEST, Community Learning Centres, free transportation for workers' children to school, a centralized health clinic at each estate, places of worship, playing fields, sundry stores, and community hall.</li> <li>c) At the Mill, it was also noted that the workers are also provided with a prayer room, a rest area and separate male and female toilets, all of which are maintained in clean and good condition.</li> </ul> <p>Treated water is supplied to all the houses. As per the Company's Water Consumption Action Plan Management Plan, domestic water quality sampling is done on a monthly basis. Housing inspections are being conducted on a weekly basis as evidenced from the housing inspection reports sampled. From the site visit held at all estate's creche, the care taker maintained information of the children in the book and the list name was updated as at audit visit. The creche was also maintained in good condition.</p>

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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	The Company has demonstrated efforts to monitor and improve workers' access to adequate, sufficient and affordable food through the shops in the respective estates.
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	Tomanggong Group subscribes to the documented policy on Freedom of Association and Right to Collective Bargaining. This Policy is available in dual language, i.e. Bahasa Malaysia and English and it recognizes and respects of employees to join trade union of their choice and to bargain collectively subject to the provisions of relevant national legislations.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Yes	There was no trade union/workers' union. Nevertheless the Company and workers' representatives have formed a Joint Consultative Committee (JCC) comprising management and worker representatives who have been elected by the workers themselves as a communication channel between management and workers. The meetings were attended by representatives from management, harvesting mandores, manuring mandores, auxiliary police, etc. All these meetings were documented, minuted and verified during the surveillance audit.
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	The company has a Child Labour Policy states that the company shall not employ underaged workers. The minimum working age was specifically defined in company's Child Labour policy, and there is a statement that only those who are 18 years and above can be employed.
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 company has an Equal Opportunities Policy. It states that equal opportunities for hiring, promotions, benefits, etc shall be provided to all workers regardless of race, religion or gender.
	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	No complaints of discrimination were observed from all the workers interviewed (sprayers, harvesters and mill workers which comprise local and foreign men and women). They confirmed that pay and benefits received were the same regardless of job functions and there was no evidence of discrimination in any form.



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	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	Yes	It has been demonstrated during the surveillance audit that recruitment selection, hiring and promotion are based on skill, qualities, capabilities and medical fitness, while vacancy notices for higher positions do not contain any discriminatory elements. Vacancies are made known among local populations based on word of mouth. Employment of foreign workers, follow Company Procedure for Hiring Foreign Workers. There is no indication of discrimination related to locality, gender, race and origins (nationality). Every worker could achieve positions as long as meet the requirements.
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	Tomanggong CU subscribes to the Company's Policy entitled Policy of Sexual Harassment, Violence & Abuse Policy. Additionally, the company also has a Guideline and Procedure Sexual Harassment which was prepared in Bahasa Malaysia and English. A copy each was distributed to all Gender Committee members. This document contains guarantees of protection against acts of sexual harassment and violence, definitions and complaints procedures. The Company also has a documented SOP for making complaints regarding sexual harassment and violence and abuse.
	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 Company also has a documented Reproductive Rights Policy signed by the Chief Executive – Group Plantations which specifies that the policy aims to improve the health and well-being of nursing mothers and new-born babies, to reduce sexually transmitted diseases, including HIV, and other reproductive related diseases, that the company respects the reproductive rights of women in accordance with national legislation.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented & communicated to all levels of the workforce. Minor Compliance	Yes	The company also has a Guideline and Procedure Sexual Harassment, prepared in Bahasa Malaysia and English, and a copy each was distributed to all Gender Committee members. This document contains guarantees of protection against acts of sexual harassment and violence, definitions and complaints procedures. The Company also has a documented SOP for making complaints regarding sexual harassment and violence and abuse. The document is entitled Guidelines/Procedure in <i>Lodging Complaints – Sexual Harassment, Violence and Abuse</i> .
C 6.10 Growers and millers deal fairly and 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 mill continued published price of FFB and the current FFB price publicly displayed outside weighbridge counter. The mill practiced to attach the past price with third-party FFB supplier delivery document for payment purpose.
	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 (where these are under the control of the mill or plantation). Major Compliance	Yes	There is evidence that the Estates and Mill under Tomanggong CU have the FFB price mechanism explained to its contractors.
	6.10.3	Evidence shall be available that all parties understand the	Yes	The Company has demonstrated that the contractor has been provided with a contract document. Interview conducted with the contractor confirmed its understanding of the job entered into.

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		contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance		
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	Yes	The contractor also confirmed that all payments were made in a timely manner, i.e. approximately within one month of the issuance of invoice.
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	There was no local community lived nearby or within the Tomanggong CU plantation area. However, Tomanggong CU contributions to the community were being centralized at the Tomanggong Central Office and were based on the results of consultation with local communities. Records of the contribution were documented in CSR file and reviewed during audit.
	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	The Tomanggong CU was not involved in any scheme smallholder schemes, and therefore this Indicator was not applicable.
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	From workers interviews, there was no evidence of forced labour found.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	The Company has a documented Labour Policy for temporary or migrant Workers signed by the Chief Executive – Group Plantations which states a commitment to non-discrimination, no contract substitution, post arrival orientation program (which includes briefing on language, safety, labour laws, cultural practices, etc) and provision of decent living conditions for foreign workers. The policy was posted on the main estate notice board.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	Yes	The Company has a documented Labour Policy for temporary or migrant Workers signed by the Chief Executive – Group Plantations which states a commitment to non-discrimination, no contract substitution, post arrival orientation program (which includes briefing on language, safety, labour laws, cultural practices, etc) and provision of decent living conditions for 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 (see Criteria 1.2 and 2.1). Major Compliance	Yes	The company has a Sustainable Agriculture Policy which states commitment to protection of Human Rights for workers, contractors, indigenous people, local communities and anyone affected by the company's operations, which contains a declaration to "Respect and Support the Universal Declaration of Human Rights". This policy has communicated to internal and external stakeholder in every stakeholder meeting. The Policy was being displayed near public area such as meeting room, housing area, notice board has/has not been communicated to all level of workers and employee as seen from the muster briefing records.

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	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	Tomanggong CU provides Humana schools and Community Learning Centres (CLC) for foreign workers' children aged between 5 and 15. a) The Tomanggong CU provides the premises, houses for the teachers, free maintenance such as water, electricity, and repairs works. b) It was evident that monthly payments were made to the HUMANA Child Aid Society Sabah based on the number of pupils in the school. All the HUMANA schools and CLCs within Tomanggong CU are located within the estate premises and can be assessed by all foreign workers' children who would otherwise not have any formal education due to their citizenship status. c) The HUMANA and CLC were maintained in good order during recertification audit.
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**Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS**

Auditors has verified through checking the [www.globalforestwatch.com](http://www.globalforestwatch.com), GOOGLE Maps, Estate Maps and also through site visit to the estates area; Tomanggong, Kapis and Litang Estate. It is confirmed that there were no new planting or new development of areas at Tomanggong CU.

**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		

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	a)	Reduction in use of pesticides (Criterion 4.6);	Yes	The CU adopted several continuous improvement in reducing of pesticides i.e. increasing planting of beneficial plants mainly <i>Tunera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> and continue to monitor pest through Early Warning System. The CU also adopted planting of <i>Leguminious Cover Crop</i> mainly <i>Pueraria Javanica</i> and <i>Calopogonium Mucunoides</i> at replanting area in order to minimizing circle and selective weeding. <i>Neproliphis biserata</i> was maintained and encouraged to be planted in Tomanggong CU. This can be seen in their continuous improvement plan. This was to suppress growth of noxious weeds and thus reduce the use of pesticides for selective weeding. Woody sprayings were carried out whenever necessary and only twice a year. Blanket spraying was not practiced in order to encourage soft grasses in inter row and frond stacking area
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	Yes	Environmental impact assessment, management action plans and continuous improvement plan for Tomanggong Group has been updated and monitored by management. Among the improvement actions: a) Construction of sump at chemical and workshop to prevent ground or water contamination. b) Collect back chemicals bags and allocate store for control of misused. c) Use of tray for tractor parking and workshop stations to prevent ground contamination.
	c)	Waste reduction (Criterion 5.3);	Yes	The management of Tomanggong CU had plan to reduce emission by daily inspection and monitoring for their farm tractor / lorry and gen set / water treatment plant to prevent any leakage and problem which can impact on smoke emission.
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Yes	The management of both estates and mill had plan to reduce emission by daily inspection and monitoring for their farm tractor / lorry and gen set / water treatment plant to prevent any leakage and problem which can impact on smoke emission.
	e)	Social impacts (Criterion 6.1);	Yes	The CU continued implemented social action plan to improved social impacts. The CU noted: a) Building 14 new housing for employee. During site visit at Litang Estate, the construction of new units of workers quarters has been completed. b) Constructed new bridge that provides alternative access road if existing road flooded. c) Built 3 new toilets at mosque as per workers request. d) Teachers at HUMANA and CLS's were inadequate and the process for getting the teachers in progressing. e) The CU also maintained in providing access for education for children of its workers. f) Vaccination program for the children's worker.
	f)	Encourage optimising the yield of the supply base	Yes	To optimize yields, both estates implemented best agricultural practices, inclusive of: a) timely and proper fertiliser application and EFB & Compost application b) Improving on accessibility to maximize crop evacuation c) expanding in field mechanized collection of FFB d) constructing water bodies and water conservation pits to conserve moisture e) reducing surface run off to prevent leaching of fertilisers

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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 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;	(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	HSPHB is committed to undergo fully certify RSPO certification. The target year for certification is 2019 with subject to the remediation and compensation procedures that is still ongoing process for Tabin and Northbank Estate. While Pelipikan, the retrospective HCV assessment have been made by Green Harvest Sdn Bhd.
	(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	There were no changes to the current time bound plan. It was confirmed during audit with representative of HSPHB. Time bound plan was verified by CB.
	(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	There were no changes to the current time bound plan as verified during this audit.
4.5.4	(a)	No replacement of primary forest or any area required to maintain or	Yes	The internal assessment has been made on 20 <sup>th</sup> – 24 <sup>th</sup> February 2018 for Northbank and Tabin Estate while 20 <sup>th</sup> February for Pelipikan Estate. Based on recent recertification

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<p>Requirements for uncertified management units:</p>		<p>enhance HCVs in accordance with RSPO P&amp;C criterion 7.3. Any new plantings since 1<sup>st</sup> 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;</p>		<p>audit (2018), the following was given feedback from HSPHB representatives:</p> <p><i>Pelipikan Estate</i> Based on Retrospective HCV assessment made by certified HCV assessor (Green Harvest Sdn Bhd) there was no clearance of primary forest at Pelipikan Estate. However, there were lands clearing made on May 2006, September 2010 and February 2011. Whereas clearing was made without HCV assessment. HSP has submitted the Declaration of disclosure of non-compliant land clearance to the RSPO in April 2016 and currently HSP is in progress of preparing the LUCA. As at 25<sup>th</sup> July 2017, HSP has submitted the item 2a and 2b as per RSPO Land Use Change Analysis (LUCA) checklist to RSPO. Currently still in progress preparing the satellite data and calculation of conservation liability. The satellite data consume time to complete. On 30 July 2018 HSP has submitted LUCA checklist item 2c, 2d, 2e, 2f, &amp; 2g to RSPO Compensation and has been reviewed by reviewer panel and on 27 February 2019 RSPO reviewer had reply on status LUCA and provided comments and recommendations for outstanding issues. On 07 May 2019 HSP had reply the recommendation made by RSPO on the LUCA to the RSPO Compensation department (Ms, Khing) and on 10/06/2019 RSPO had replied and commented on LUCA report and was noted that there are still concerns highlighted by the LUCA reviewer.</p> <p><i>North Bank Estate and Tabin Estate</i> HCV Assessment at Northbank and Tabin Estate has been conducted in year 2013 and completed by 20/11/2013. Northbank and Tabin Estate are currently undergone Remediation and Compensation Procedure (RaCP). As to date, the required LUCA data has already been submitted and has passed by the compensation panel. HSP has also provided the Concept Note for review by RSPO. Noted the latest communication (email) between HSP and RSPO (Mr. Dillon) on 21/06/2017 regarding the concept notes. Final Conservation Liability (FCL) figure was confirmed at 579.48 ha. Final conservation liability is confirmed as 548.79 Ha (based on chronology email dated 21/6/2017). The amended concept note sent to the CEGP for approval. The revise concept notes with attachment (extended riparian reserve maps) submitted to RSPO Compensation and RSPO Compensation had submitted the concept note to the Compensation Panel for review. Latest on 30/10/2018 RSPO Compensation had replied and said that they will give feedback about the concept note for 3<sup>rd</sup> revised of CN and Management has submit CN to RSPO. CN has been revised by panel reviewer. On 29/04/2019 Ms Khing of RSPO has commented feedback by compensation panel reviewer &amp; concept note are required further clarification in its content such as additional, long lasting and knowledge-based section. Sighted The revised 4<sup>th</sup> draft of concept note was submitted to RSPO on 15/05/2019.</p>
	(b)	Land conflicts, if any, are being		The internal assessment has been made on 20 <sup>th</sup> – 24 <sup>th</sup> February 2019 for Northbank and

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	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>Tabin Estate while 20<sup>th</sup> February 2019 for Pelipikan Estate.</p> <p><i>Pelipikan Estate</i> Land conflict was resolved with the affected and relevant parties. Please refer to Hap Seng Plantations 2015 Annual Report. Refer to HSP Annual Report Page 208-209, 36.d.</p> <p><i>Northbank and Tabin Estate</i> Land conflict is still under court case. Please refer Hap Seng Plantations 2016 Annual Report. Refer to HSP Annual Report Page 97 -98, 23 (a – b).</p>
(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	Yes	The internal assessment has been made on 20 <sup>th</sup> – 24 <sup>th</sup> February 2019 for Northbank and Tabin Estate while 20 <sup>th</sup> February 2019 for Pelipikan Estate. Based on the internal assessment report, there was no labour disputed recorded at the all uncertified unit.
(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	Yes	The internal assessment has been made on 20 <sup>th</sup> – 24 <sup>th</sup> February 2018 for Northbank and Tabin Estate while 20 <sup>th</sup> February for Pelipikan Estate. Based on internal assessment report, there was no issue on legal non-compliance for all uncertified unit.
(e)	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:	Yes	
	<ul style="list-style-type: none"> <li>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;</li> </ul>	Yes	The internal assessment has been made on 20 <sup>th</sup> – 24 <sup>th</sup> February 2019 for Northbank and Tabin Estate while 20 <sup>th</sup> February 2019 for Pelipikan Estate. The progress of the certification was concluded as 4.5.4. (a-d) on new planting, HCV, legal compliance and labour disputes for Tabin, Northbank and Pelipikan Estate. With regards to the land disputes, the action to address the issues was on-going.
	<ul style="list-style-type: none"> <li>Targeted stakeholder</li> </ul>	Yes	It was evident that in handling uncertified management unit, HSP North Bank Estate and

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		consultation, including consultation with the relevant NGO's will be carried out by the audit team.		Tabin Estate has conducted Joint Consultation Committee (JCC) meeting on 23/05/2017 (North Bank Estate and Tabin estate) and 11/04/2017 (Pelipikan Estate) to address unresolved issues. Actions in progress.
		<ul style="list-style-type: none"> <li>Desktop study e.g. web check on relevant complaints</li> </ul>	Yes	Further information can be obtained from <a href="https://www.rspo.org/acop/2017/hap-seng-plantations-holdings-bhd/HSPHB%20SUSTANABILITY%20REPORT%202014.pdf">https://www.rspo.org/acop/2017/hap-seng-plantations-holdings-bhd/HSPHB%20SUSTANABILITY%20REPORT%202014.pdf</a>
		<ul style="list-style-type: none"> <li>If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements.</li> </ul>	Yes	There was no non-compliance found for all requirements during this audit.
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 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.		No additional indicators	Yes	It has been verified that Tomanggong Group of Estate (TGOE) owned the said lands as Country Lease land title (CL) from The Government of The State of Sabah. The land was not previously owned by any users and subject to customary rights of local communities and indigenous people.

**Note:**

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;

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.



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**Attachment 4**

**Details of Non-conformities and Corrective Actions Taken**

<b>P &amp; C Indicator</b>	<b>Specification Major/Minor</b>	<b>Detail Non-conformances</b>	<b>Corrective Action</b>	<b>Verification by Assessor</b>
<p>2.1.1 NCR MAR 01 2019</p>	<p>Major</p>	<p><b>Finding :</b> Tagas and Litang ('Estates') did not comply with relevant legal requirements i.e. Immigration Act 1959 (Act 155) and Regulation and Orders <b>Objective evidence :</b> Based on sampling, the following estates permit undocumented immigrant children of workers to enter or remain at any premises, in contravention with Section 55E Immigration Act): - Tagas Estate / Litang Estate</p>	<p><b>Result of investigation and determination of root cause</b> This is due to the estate management misunderstanding that the requirement of passport application is under management's responsibility. In additions, the relevant government agency also did not highlight the mentioned requirement to plantations industry. <b>Correction:</b> Hap Seng Plantations Holdings Berhad (HSP)'s Administration Department had immediately sent application letter to Konsulat Indonesia for passoport application to workers' children ( refer Attachment 1). <b>Corrective Action Plan:</b> HSP's Administration Department will closely communciate and update with Immigration Sabah on any important requirement to plantation workers from time to time.</p>	<p><b>Verification</b> The estates are in the process of formalising the legalisation of the children workers as required in Section 55E Immigration Act 1959. Following the letter dated 02/11/2019 to the Consulate of Indonesia office in Tawau there has been initiative by the management in addressing the issue. There are also the lists of names of the children involved from all the 4 estates. The outcome of this exercise will now under the relevant authority perusal especially on the expedience of the entire process. As such the management has taken the possible steps to conclude the NCR raised and therefore accepted and concluded. During the forthcoming audit the progress of this issue will be audited accordingly.  <b>Status Closed.</b></p>

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**Attachment 5**

**RSPO SUPPLY CHAIN : AUDIT CHECKLIST**

**SECTION A : GENERAL INFORMATION**

1. File Reference No.	EH04760003
2. Name of facility/ site(s) /entity(ies)	Hap Seng Plantations (River Estates) Sdn Bhd - Tomanggong Palm Oil Mill
3. Site Location (single site/multisite/Group)	Off KM 40, Jalan Jeroco, 91109 Lahad Datu, Sabah
4. SC model	Mass Balance
5. Type of entity	Palm Oil Mill
6. RSPO Member Number	1-0098-11-000-00
7. Annual summary records of certified oil palm products purchased and claimed	Projected for last year for period of November 18 until September 19 CPO Projected: 30,703.00mt (MB) PK Projected: 6,055.00mt (MB) CPO Sell: 8,761.46mt CPO Claim as Mass Balance: 0 mt PK Sell: 1,925.36 mt PK Claim as Mass Balance: 1,925.36 mt

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

	<b>Requirements</b>	<b>Remarks</b>
	<b>Audit Process Requirements – FOR STAGE 2 / RECERTIFICATION AUDIT</b>	
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.	The organizational systems, the management systems and the operational systems, including any documented policies and procedures of TPOM are sufficient and adequate in complying with latest revision of RSPO Supply Chain Certification Standard. The Sustainability Agriculture Policy was last updated on Aug 2019.
	<b>Audit Process Requirements – SURVEILLANCE AUDIT</b>	
5.3.26	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. 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.	NA

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**SECTION B (ii): GENERAL CHAIN OF CUSTODY REQUIREMENTS FOR THE SUPPLY CHAIN**

	<b>Requirements</b>	<b>Remarks</b>
<b>1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>	
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.	Tomanggong takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location as mentioned above.
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
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 RSPO IT platform.	RSPO Palm Trace Registration under Hap Seng Plantations (River Estate Sdn Bhd – Tomanggong Palm Oil Mill
1.4	Processing aids do not need to be included within an organization's scope of certification.	Not Applicable
<b>2</b>	<b>Supply chain model</b>	
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.	TPOM obtained certified FFB from own certified supply base, Tomanggong Estate, Litang Estate, Tagas Estate. Non RSPO Estate, Tabin and Northbank Estate and as well as external suppliers. TPOM also found to be aware of the downgrading procedure.
2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	TPOM only apply MB model
<b>3</b>	<b>Documented procedures</b>	
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:	Procedures are available entitled "Standard Operating Procedures for Traceability" [Doc. No. SOP/COC/001 to 005 – i.e. 5 chapters, Issue No. 04 , Revised dated 15 May 2019] a) 001 – CSFFB, SCPO & CSPK Traceability System – Chain of Custody b) 02 – Harvesting and Loading of Fresh Fruit Bunch c) 003 – Delivery and Reception of CSFFB, In-House and Non In-house FFB d) 004 – Dispatch of CSPO and CSPK from the Mill to the Refinery/Bulk Transit Installation/Buyer Vessel e) 005 – Monitoring of CSPO and CSPK sales f) SOP Revised in May 2019 – Chapter 1 Management review, Chapter 4 CSPO loading from bulking Station (Jeroco Jetty) or TPOM Tank to Barge, Recycling CPO from Bulking Station (Jeroco Jetty) to Mill, and Chapter 5 Outsource Storage facility.

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a)	Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.	Procedures are available entitled “Standard Operating Procedures for Traceability” [Doc. No. SOP/COC/001 to 005 – i.e. 5 chapters, Issue No. 04 , Revised in May 2019] a) 001 – CSFFB, SCPO & CSPK Traceability System – Chain of Custody b) 002 – Harvesting and Loading of Fresh Fruit Bunch c) 003 – Delivery and Reception of CSFFB, In-House and Non In-house FFB d) 004 – Dispatch of CSPO and CSPK from the Mill to the Refinery/Bulk Transit Installation/Buyer Vessel e) 005 – Monitoring of CSPO and CSPK sales SOP revised in May 2019 – Chapter 1 Management review, Chapter 4 CSPO loading from bulking Station (Jeroco Jetty) or TPOM Tank to Barge, Recycling CPO from Bulking Station (Jeroco Jetty) to Mill, and Chapter 5 Outsource Storage facility, Procedure. In addition to Mill Safe Standard Operating Procedures.
b)	Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).	Available.
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.	Under Chapter 3 of SOPfT, Mill Manager has the overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. Assisted by Sustainability Executive & relevant mill staff such as mill clerk, chief clerk, weighbridge clerk.
3.2	The site shall have a written procedure to conduct annual internal audit to determine whether the organization; i. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. ii. Effectively implements and maintains the standard requirements within its organization. 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.	Under SOPfT, there is Flowchart for Internal Audit system & Management Review indicating the process for memorandum for IA, appointment of team member, the IA review (overall audit process in general). Audit checklist also been established. Coverage of audit sufficient & comprehensive to cater for the new standard (including modular requirement – Module E CPO Mills: MB). Internal audit conducted in July 2019. No NC issued on supply chain scope. Coverage of audit sufficient & comprehensive to cater for the new standard (including modular requirement – Module E CPO Mills: MB).
<b>4</b>	<b>Purchasing and goods in</b>	
4.1	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:	Tomanggong POM had continued received FFB supply from own company estate namely Tomanggong estate, Tagas estate, Litang estate, Non Rspo Estate Tabin and Northbank Estate. And also outsider estate Sighted FFB consignment note for Tomanggong estate, Tagas estate, Litang estate, Non Rspo

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	<ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number.</li> </ul> <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>Estate Tabin and Northbank Estate. And also outsider estate from November 2018 till September 2019. Among the information available on the FFB consignment note are estate name, vehicle no, field name, delivery date, no of FFB bunches, FFB weight.</p>
a)	<p>The site shall have documentation that demonstrate that purchases are made to the material category agreed with their supplier (IP, SG or MB).</p>	<p>To demonstrate that purchases are made to the material category agreed with their supplier, TPOM ensure delivery chit from Tomanggong estate, Tagas estate, Litang estate, Non RSPO Estate Tabin and Northbank Estate. And also outsider estate being marked/stamped accordingly with 'CSFFB'.</p>
b)	<p>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>	<p>For certified CPO &amp; PK produced, TPOM update their stock in Palm Trace details are as followed; Member name: Hap Seng Plantations (River Estates) Sdn Bhd</p>
c)	<p>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.</p>	<p>Tomanggong POM had continued received source of RSPO certified FFB from own group estate. Internal supplier under same certification – valid certificate.</p>
4.2	<p>The site shall have a mechanism in place for handling non-conforming material and/or documents.</p>	<p>Mechanism for handling NCP mentioned under Chapter 1 of SOPfT Mechanism for handling NCD mentioned under Chapter 1 of SOPfT; NCD including those without proper stamping, wrong stamping/ with discrepancies (issued by supplier or issued by TPOM to buyer). Mill Manager will verify the NCD/ corrected documents prior to release to customer. No NCP/ NCD recorded since last audit.</p>

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<b>5</b>	<b>Outsourcing activities</b>	
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>	<p>Not Applicable since transportation and storage of certified finished products are handled internally.</p> <p>Should there be any additional transporter used in future to carry certified CPO/ PK, TPOM prepared Minor Job Contract for acknowledgement by hired service provider informing on the RSPO SCCS requirements as per para 5.2 below.</p>
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"> <li>a) The site has legal ownership of all input material to be included in outsourced processes;</li> <li>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.</li> <li>c) The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>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.</li> </ul>	Not Applicable
5.3	The site shall record the names and contact details of all contractors used for the processing or production of RSPO certified materials.	Not Applicable
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.	Not Applicable
<b>6</b>	<b>Sales and goods out</b>	
6.1	The organization shall ensure that the following minimum information for RSPO certified products is made available in	e.g. Last PK (MB) delivery in September 2019 The requirement of sales & goods out especially on notation of SC model applied & SC cert no

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	<p>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> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or delivery date;</li> <li>• The date on which the documents were issued;</li> </ul>	<p>complied by indicating in delivery note, CPO/ PK billing, weighbridge advice ticket e.g. Last CPO (MB) delivery in May 2016 The requirement of sales &amp; goods out especially on notation of SC model applied &amp; SC cert no complied by indicating in delivery note, CPO/ PK billing, weighbridge advice ticket Certified CPO will be delivered by road tanker to installation facility prior to pumping into barge. Sample of non-certified deliveries as per below complying to standard except for the notation of SC model &amp; cert no.</p>
	<ul style="list-style-type: none"> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number;</li> <li>• A unique identification number.</li> </ul>	<p><b>CPO</b> No sales since May 2016 under MB model.</p> <p><b>PK</b> Transactions evident.</p>
<b>7</b>	<b>Registration of transactions</b>	
7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>• are supply chain actors between the mill and final refinery;</li> <li>• take legal ownership and physically handle RSPO Certified Sustainable oil palm products; and</li> <li>• are part of the supply chain of RSPO Certified Sustainable oil palm products</li> </ul> <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>	Sustainability Executive updates the RSPO IT Platform based on input provided by TPOM.
<b>8</b>	<b>Training</b>	
8.1	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.	Annual Training Program established & being reviewed accordingly by the Mill Manager. The training record was well maintained.
8.2	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. Training shall be specific and relevant to the task(s) performed.	Last training conducted in May 2019 by the Senior Assistant, attended by 120 persons including all relevant staff related to supply chain. Attendance list & photograph was seen. Training focus on relevant MB procedures and record.
<b>9</b>	<b>Record keeping</b>	
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.	The relevant record pertaining to RSPO SCCS within TPOM found to be updated accordingly and easily accessible during the audit.

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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 pertaining to implementation of RSPO SCCS within TPOM retained for minimum 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.	Actual FFB production by the supply base for the last reporting period <i>(Nov 2018-Sept 2019)</i> No delivery of certified CPO since last audit.
<b>10</b>	<b>Conversion factors</b>	
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 ( <a href="http://www.rspo.org">www.rspo.org</a> ). 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 ( <a href="http://www.rspo.org">www.rspo.org</a> ).	The actual OER and KER have been used as the conversion rates.
10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	Daily OER & KER were provided in the production report. Both conversion rates were monitored on monthly basis to check their performance against industry average.
<b>11</b>	<b>Claims</b>	
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.	Relevant information on product claim (incl. applicable SC model and certificate no.) being correctly indicated in the relevant outgoing paperwork e.g. PK billing, CPO billing, TPOM weighbridge advice ticket and TPOM palm kernel/ CPO delivery note. TPOM apply RSPO trademark with license no. 1-0098-11-100-00.
<b>12</b>	<b>Complaints</b>	
12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Refer Grievance Procedure dated in March 2018. No complaint from stakeholder with regards to RSPO SCCS since last audit.
<b>13</b>	<b>Management review</b>	
13.1	The organization is required to hold management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	Management review planned once annually. Last conducted in July 2019.
13.2	The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO SCCS</li> <li>• Customer feedback</li> </ul>	Management review report coverage was sufficient, among item discussed during audit; <ul style="list-style-type: none"> <li>a) follow up actions from earlier management review</li> </ul>



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	<ul style="list-style-type: none"> <li>• Status of preventive and corrective actions</li> <li>• Follow-up actions from management reviews</li> <li>• Changes that could affect the management system</li> <li>• Recommendations for improvement</li> </ul>	<ul style="list-style-type: none"> <li>b) sustainability &amp; adequacy of all SOP's</li> <li>c) sustainable agriculture policy</li> <li>d) result of internal audit</li> <li>e) change in legal requirement of any compliance</li> <li>f) complaint/Customer feedback (internal &amp; external)</li> <li>g) accident &amp; injury (LTA)</li> <li>h) environmental quality</li> <li>i) waste management</li> <li>j) energy usage performance</li> <li>k) Process performance and product conformity</li> <li>l) status of corrective actions</li> <li>m) recommendation for improvement</li> <li>n) Improvement of the effectiveness of the management system and its processes</li> <li>o) Resource needs</li> </ul>
13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes</li> <li>• Resource needs</li> </ul>	

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

	<b>Module E – CPO Mills: Mass Balance</b>	
<b>E.3</b>	<b>Documented procedures</b>	
E.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> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</li> <li>a) The name 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 site procedures for the implementation of this standard.</li> </ul>	Available.
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Available
<b>E.4</b>	<b>Purchasing and goods in</b>	
E.4.1	The site shall verify and document the volumes of certified and non-certified FFBs received.	TPOM had continued to receive certified FFBs from the CU's own supply bases as well as non-certified FFBs from outsiders. There were Three supply bases (estates) sending certified FFBs to TPOM. They were Tomanggong, Tagas and Litang Estate. For non-certified FFBs, TPOM had sourced them from Tabin Estate, Northbank Estate, and Five FFB

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		collectors/Suppliers/Smallholder.
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	There was no overproduction of certified FFBs during the period under review (Nov 2018 – Sept 2019) no certified CPO sales recorded only certified PK sold since last audit. Only accumulated Mass Balance stock.
<b>E.5</b>	<b>Record keeping</b>	
E.5.1	<p>a) 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 and/or three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock. For further details refer to Module C.</p>	Available.

<b>Annex 1 – Supply Chain Yield Schemes – Not Applicable</b>
<b>Annex 2 – Book &amp; Claim (BC) – Not Applicable</b>
<b>Annex 3 – RSPO Rules on Communications and Claims – Not Applicable</b>

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**Attachment 6**

**VERIFICATION OF NON-CONFORMITIES DURING SURVEILLANCE 4 ASSESMENT AT TOMANGGONG CU**

<b>P &amp; C Indicator</b>	<b>Specification Major/Minor</b>	<b>Detail Non-conformances</b>	<b>Corrective Action</b>	<b>Verification by Assessor</b>
6.5.2 NCR HO 01	Major	<p><u>Findings:</u> There were employees who had worked on their rest day not paid double rate as per contract of employment. Also there was no evidence of an employee paid for eligible Public Holidays as per contract of employment.</p>	<p><u>Correction</u> 1. TPOM has issued out a memo that detailing on the provision of change of rest day. The memo had been communicated to all workers at mill and display at mill notice board. 2. The employee No. 69634 has been paid accordingly (Attachment 1.3) <u>Corrective action plan</u> 1. Refresher training shall be conducted by Personnel &amp; Administration Department who is more familiar with the Sabah Labor Ordinance on the detail of contract agreement at annually basis to all operating unit. 2. Sustainability Team/ Finance Independent Team will yearly cross-check the pay slip to avoid miss-payment for the eligible public holidays.</p>	<p>During recertification audit dated 21-24/10/2019, it was also verified that through the check roll, at Tomanggong POM employees who had worked on their rest day has paid double rate as per contract of employment. Also there was evidence of an employee paid for eligible Public Holidays as per contract of employment. <i>Therefore, previous NCR on H01 2018 is satisfactorily closed and concluded.</i></p> <p><b>Status Closed.</b></p>

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**Attachment 7**

**Hap Seng Plantations Holdings Berhad Time Bound Plan on RSPO Certification.**

<b>No</b>	<b>CU</b>	<b>Location</b>	<b>Date of Certification</b>	<b>Valid until</b>	<b>CAB &amp; Certificate No.</b>
1	Hap Seng Plantations (River Estates) Sdn Bhd - Sg Segama Group of Estate & Bukit Mas Palm Oil Mill	Lahad Datu	24/05/2017	23/5/2022	PT TUV Rheinland 824 502 14016
2	Jeroco Plantations Sdn Bhd -Jeroco Palm Oil Mill 1	Lahad Datu	27/09/2013	26/09/2018	SIRIM QAS RSPO 0018
3	Jeroco Plantations Sdn Bhd- Jeroco Palm Oil Mill 2	Lahad Datu	27/09/2013	26/09/2018	SIRIM QAS RSPO 0028
4	Hap Seng Plantations (River Estates) Sdn Bhd – Tomanggong Group of Estates	Lahad Datu	9/01/2015	8/01/2020	SIRIM QAS RSPO 0024
5	Kawa Estate and Hap Seng Estate, Hap Seng Plantations (Ladang Kawa) Sdn Bhd	Tawau	16/10/ 2015	15/10/2020	PT TUV Rheinland 824 502 15028
6	Hap Seng Plantations (Kota Marudu) Sdn Bhd. - Pelipikan Estate	Kota Marudu	2022 (target)	-	-
7	Hap Seng Plantations (River Estates) Sdn Bhd - Tomanggong Group Of Estates – North Bank Estate and Tabin Estate	Lahad Datu	2022 (target)	-	-