



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

File Ref. : EH04760001

**RSPO PUBLIC SUMMARY REPORT**

**CLIENT** : JEROCO PLANTATIONS SDN. BHD. – JEROCO PALM OIL MILL 1

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

**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	
Jeroco 1	Jeroco Palm Oil Mill 1	N 5°25'52.002"	E 118°25'02.005"	Off KM 50, Jalan Jeroco, 91109 Lahad Datu, Sabah, Malaysia
	Batangan Estate	N 5°24'43.704"	E 118°26'59.803"	
	Lulong Estate	N 5°21'55.601"	E 118°26'26.201"	
	Lokan Estate	N 5°25'51.800"	E 118°22'57.804"	
	Lungmanis Estate	N 5°28'46.304"	E 118°24'11.301"	

**MAP** : See Attachment 1

**AUDIT DATE** : 1-4 July 2019

**DURATION** : 17 auditor days

**TYPE OF AUDIT** :  Annual Surveillance Audit No. 1  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 the Identity Preserved Supply Chain Model

**VALIDITY OF RSPO CERTIFICATE** : 27/9/2018- 26/9/2023

The following attachments form part of this report:

Non-conformity Report(s)

List of additional site(s)

**Report by Audit Team Leader**

**Acknowledgement by Client's Representative**

Name : MOHD AB RAOUF BIN ASIS

Name : *KEE KEON CHONG*

Signature :

Signature :

Date : 2 October 2019

Date : *7.10.19*

## RSPO PUBLIC SUMMARY REPORT

### SUMMARY OF AUDITS

<b>Stage 2 audit / Recertification audit</b>				
On-site audit date :	24-27 July 2018		No. of auditor days :	17
Audit team :	Khairul Najwan, Ruzita, Mohd Raouf, Rozaimée & Suzalina			
No. of major NCR :	1	Indicator: 4.7.3		Closing date: 20/10/2018
No. of minor NCR :	1	Indicator: 2.1.2		
Indicate the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers / Local communities	Suppliers
	✓	-	✓	✓
	Contract workers	NGOs	Govt. agency	Independent growers
	-	✓	✓	-
	Indigenous people	Contractor	Others (Please specify) School Teachers	
	-	✓	✓	
Supply base sampled :	Lokan, Lungmanis, Batangan and Lutong Estates			
Justification of audit planning :	Total allocation of auditor days for Jeroco 1 CU were: Mill = 4 days (3 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 13 days overall for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title.			
Report approved by :	Radziah Mohd Daud		Approval date : 15/11/2018	

<b>Annual Surveillance Audit 1</b>				
On-site audit date :	1-4 July 2019		No. of auditor days :	17
Audit team :	Mohd Ab Raouf bin Asis (LA), Rozaimée bin Ab Rahman (A), Mohd Zulfakar bin Kamaruzaman (A), Dzulfiqar bin Azmi (A), Rahayu binti Zulkifli (A).			
No. of major NCR :	2	Indicator: 2.1.1, Clause 5.13 (Supply Chain)		Closing date: 25/9/2019
No. of minor NCR :	1	Indicator : 6.5.3		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers / Local communities	Suppliers
	✓	NA	✓	✓
	Contract workers	NGOs	Govt. agency	Independent growers
	-	-	-	NA
	Indigenous people	Contractor	Others (Please specify)	
	NA	✓	-	
Supply base sampled :	Batangan, Lutong, Lokan and Lungmanis			
Changes since the last audit :	No changes			
Justification of audit planning :	Total allocation of auditor days for Jeroco 1 CU were: Mill = 4 days (3 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 13 days overall for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title.			
Report approved by :	Kamini Sooriamoorthy		Approval date : 2/10/2019	

<b>Annual Surveillance Audit 2</b>				
On-site audit date :			No. of auditor days :	
Audit team :				
No. of major NCR :		Indicator:		Closing date :
No. of minor NCR :		Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers / Local communities	Suppliers

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	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				
Justification of audit planning :				
Report approved by :			Approval date :	

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

Annual Surveillance Audit 4				
On-site audit date :			No. of auditor days :	
Audit team :				
No. of major NCR :		Indicator:		Closing date :
No. of minor NCR :		Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers / Local communities	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractors	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				
Justification of audit planning :				
Report approved by :			Approval date :	

## RSPO PUBLIC SUMMARY REPORT

### SUMMARY OF INFORMATION

**TABLE 1**

	STAGE 2 / RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period	July 2018 to June 2019	July 2019 to June 2020			
Certified FFB Processed (MT)	199,350.00	288,322.00			
Production of Certified CPO (MT)	43,385.00	62,726.00			
Production of Certified PK (MT)	9,550.00	13,814.00			
Certified Areas (Ha)	11,436.67	11,436.67			
Planted Areas (Ha)	10,380.00	10,380.00			
Production Areas (Ha)	9,267.00	9,713.00			
HCV Areas / Conservation Areas (Ha)	386.34	386.34			
REMARKS	-				

**TABLE 2**

	PO	PK
Last years certified volume (MT)	*67,642.07	*15,662.38
Last years actual certified sold (MT)	9,243.39	12,968.17
Last years actual sold under other schemes (MT)	46,195.06	0.00
Last year's sold conventional (MT)	0.00	0.00
New year certified volume (MT)	62,726.00	13,814.00

\*Extension of volume for both CPO and PK has been requested to CB on 17/6/2019 and approved by RSPO on 5/7/2019.

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## RSPO PUBLIC SUMMARY REPORT

### 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 accredited by ASI on 27 September 2014.

#### 1.2 Qualification of audit team

Member of the Audit Team	Role/area of requirements	RSPO	Qualifications
Mohd Ab Raouf bin Asis	Lead Auditor Good Agricultural Practices (GAP)		Holds B.Sc. (Hons) Management Technology Majoring Production and Operation from UTHM in 2007. He had 10 years of working experience in the oil palm operation. He is a qualified lead auditor for RSPO P&C and Lead Auditor for MSPO.
Rozaimiee Ab. Rahman	Auditor Occupational health and safety		Holds a B. Sc. of Agriculture. He had 7 years of working experience in the oil palm operation. He is a qualified Lead Auditor for RSPO P&C and Lead Auditor for MSPO.
Dzulfiqar bin Azmi	Auditor, Environment		Holds a B. Sc. in Agriculture from University Teknologi Mara (UiTM). He had more than 5 years of working experience in the oil palm operation. He is a qualified MSPO Lead Auditor.
Rahayu binti Zulkifli	Auditor, Social, HCV		Holds a Degree in LLB (Hon), she was a practicing lawyer before joining WWF-Malaysia and RSPO as a Dispute Settlement Facility Manager. She is now working as a freelance RSPO auditor.

#### 1.3 Audit methodology

The audit covered Jeroco 1 palm oil mill and all four its supply bases i.e. Batangan Estate, Lungmanis Estate, Lutong Estate and Lokan Estate. Generally, the sampling of the number of the supply base was using the formula of  $0.8\sqrt{y}$ , but for Jeroco 1 CU, it involved 100% sampling. The audit included an on-site audit to the estates, mill and workers' houses 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.

#### 1.4 Stakeholder Consultation

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

#### 1.5 Audit plan : Refer to Attachment 2

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- 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

Jeroco Palm Oil Mill 1 certification unit (hereafter refer to JPOM1 CU) is one of the business unit under the Hap Seng Plantations Holdings Berhad (HSPHB). Located at Off 50 KM, Jalan Jeroco, Lahad Datu, Sabah, Malaysia, the CU consists of one mill i.e. Jeroco Palm Oil Mill 1 (JPOM1) and 4 supply base i.e. Batangan, Lutong, Lokan and Lungmanis Estates.

The JPOM1 has a processing capacity of 60 metric tonnes of fresh fruit bunches (FFB) per hour. The mill only receives and processes crops from HSPHB's certified supply bases. The CU have other management system certification scheme such as HACCP, ISCC and MSPO.

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

The FFB is sourced from company owned estates that were certified. Noted that there were some diversions of FFB from HSPHB's estates certified under different CU.

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  
(July 2018 to June 2019) JPOM1

Estates	FFB Production	
	Tonnes	Percentage (%)
<sup>1</sup> Batangan	75,269.73	27.95
<sup>1</sup> Batangan (Kretam)	0	0
<sup>1</sup> Lutong	35,038.49	13.01
<sup>1</sup> Lokan	36,159.76	13.43
<sup>2</sup> Kapis	26,066.85	9.68
<sup>1</sup> Lungmanis	26,963.80	10.01
<sup>3</sup> Litang	8,108.57	3.01
<sup>3</sup> Litang (Wecan)	4,579.59	1.70
<sup>3</sup> Tagas	12,855.65	4.78
<sup>3</sup> Tagas (Tampilit)	1,156.87	0.43
<sup>3</sup> Tomanggong	7,647.83	2.84
<sup>4</sup> Sungai Segama 1	2,410.44	0.90
<sup>4</sup> Sungai Segama 2	7,548.05	2.80
<sup>4</sup> Bukit Mas Estate	20,719.65	7.69
<sup>4</sup> Ladang Kawa	409.05	0.15
<sup>4</sup> Ladang Kawa (Hapseng Properties)	4,366.93	1.62
<b>Total</b>	<b>269,301.26</b>	<b>100</b>

<sup>1</sup> = Jeroco POM 1 CU; Certified by: SIRIM QAS; Certificate No.: RSPO-PC 00111.

<sup>2</sup> = Jeroco POM 2 CU; Certified by: SIRIM QAS; Certificate No.: RSPO-PC 00118.

<sup>3</sup> = Tomanggong CU; Certified by: SIRIM QAS; Certificate No.: RSPO-PC 00114.

<sup>4</sup> = Sg. Segama CU & Ladang Kawa CU; Certified by: TUV Rheinland; Certificate No.: 824 502 14016.

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Table 2: Projected FFB production by supply base for the next reporting period (July 2019 to June 2020) JPOM1

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Batangan	80,260	27.84
Lutong	46,820	16.24
Lokan	44,390	15.39
Lungmanis	29,610	10.27
<b>Total</b>	<b>201,080</b>	<b>70</b>
<b>Diverted certified crops</b>		
Tagas	50,070	17.37
Litang	37,172	12.89
	-	-
<b>Grand Total</b>	<b>288,322</b>	<b>100</b>

Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period (July 2018 to June 2019) JPOM1

	Total (MT)
FFB Received	269,301.26
FFB Processed	269,301.26
CPO Production	56,026.93
PK Production	13,000.47
CPO delivered as RSPO certified	9,243.39
CPO delivered under other schemes (MT)	46,195.06
CPO delivered as non-RSPO certified	0
PK delivered as RSPO certified	12,968.17
PK delivered under other schemes (MT)	0
PK delivered as non-RSPO certified	0
Credits traded thru Book & Claim	0

Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period (July 2019 to June 2020) JPOM1

	Total (MT)
FFB Received	288,322
FFB Processed	288,322
CPO Production	62,726
PK Production	13,814
CPO delivered as RSPO certified	62,726
CPO delivered as non- RSPO certified	0
PK delivered as RSPO certified	13,814
PK delivered as non-certified	0

Table 5 Planted and certified area of the CU

Estate	Planted (ha)	Certified (ha)
Batangan Estate	3,394.00	3,632.88
Lutong Estate	2,194.00	2,448.40
Lokan Estate	2,837.00	3,155.39
Lungmanis Estate	1,955.00	2,200.00
<b>Total</b>	<b>10,380.00</b>	<b>11,436.67</b>



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**Table 6: Planting profile for Batangan Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area(ha)	Percentage of planted area (%)
2004	2nd	Mature	450	13.24
2006	2nd	Mature	388	11.42
2008	2nd	Mature	151	4.44
2009	2nd	Mature	148	4.36
2010	2nd	Mature	280	8.24
2011	2nd	Mature	682	20.07
2012	2nd	Mature	458	13.48
2013	2nd	Mature	406	11.95
2014	2nd	Mature	151	4.44
2015	2nd	Mature	280	8.24
<b>Total</b>			<b>3,398</b>	<b>100.00</b>

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

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1999	1st	Mature	157	7.16
2004	1st	Mature	42	1.91
2006	2nd	Mature	456	20.78
2007	2nd	Mature	159	7.25
2011	2nd	Mature	157	7.16
2012	2nd	Mature	146	6.65
2013	2nd	Mature	306	13.95
2014	2nd	Mature	318	14.49
2015	2nd	Mature	303	13.81
2017	2nd	Mature	150	6.84
<b>Total</b>			<b>2,194</b>	<b>100</b>

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

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area(ha)	Percentage of planted area (%)
1998	1st	Mature	439	15.47
1999	1st	Mature	1,309	46.14
2014	2nd	Mature	244	8.60
2015	2nd	Mature	149	5.25
2016	2nd	Mature	296	10.43
2017	2nd	Immature	161	5.68
2018	2nd	Immature	239	8.43
<b>Total</b>			<b>2,837</b>	<b>100</b>

**Table 9: Planting profile for Lungmanis Estate**

Year of planting	Planting cycle (1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , etc. Generation)	Mature / Immature	Planted area(ha)	Percentage of planted area (%)
1995	1 <sup>st</sup>	Mature	765	39.13
1996	1 <sup>st</sup>	Mature	923	47.21
2018	2 <sup>nd</sup>	Immature	267	13.66
<b>Total</b>			<b>1,955</b>	<b>100</b>

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

The details of the contact person are as shown below:

Name	:	Mr. Kee Keow Chong
Position	:	General Manager - Agronomy
Address	:	Hap Seng Plantations Holdings Berhad C/O: Hap Seng Fertilizers Sdn Bhd, Batu 2, Jalan Kastam Baru, 91119 Lahad Datu, Sabah, Malaysia.
Phone no.	:	+6089 278183, +6089 278138
Fax no.	:	+6089 278168/186
Email	:	keekc@hapseng.com

### 3.0 AUDIT FINDINGS

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

There were no changes 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 :

The process for relevant CUs were still on-going. Refer to clause 4.5.4 - Requirements for  
Uncertified Management Unit for further details.

- 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 NA

- 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.)

No changes.

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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)

Nil.

### 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 : 1      Indicator 6.5.3

Total no. of major NCR(s)  
(details refer to Attachment 4)      List : 1      Indicator 2.1.1

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

Total no. of minor NCR(s)  
(details refer to Attachment 5)      List : none

Total no. of major NCR(s)  
(details refer to Attachment 5)      List: 1      Indicator Clause 5.13.1, 5.13.2, 5.13.3

### 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.

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**6.0 RECOMMENDATION**

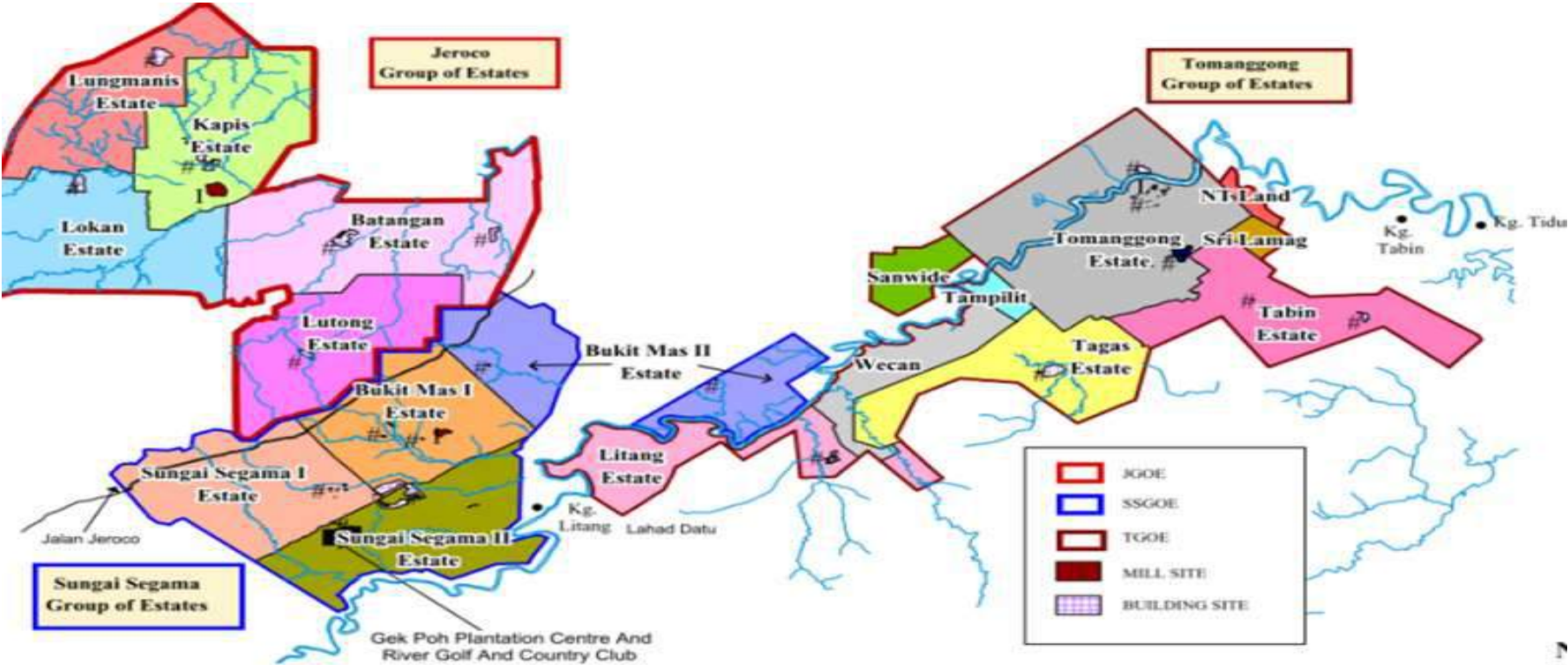
- No NCR recorded. Recommended to continue certification.
  
- Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.  
  
*Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs.*
  
- Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.
  
- Recommended to continue certification.
  
- Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... 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 :	MOHD AB RAOUF BIN ASIS		25/9/2019
	_____	_____	_____
	(Name)	(Signature)	(Date)



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**DETAILS OF AUDIT PLAN**

**SURVEILLANCE AUDIT PLAN (ASA 1) JEROCO 1**

**1. Objectives**

The objectives of the audit are as follows:

- (i) To determine 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** : 1 – 4 July 2019

**3. Site of assessment** : i) Jeroco 1 POM  
 ii) Batangan Estate  
 iii) Lutong Estate  
 iv) Lokan Estate  
 v) Lungmanis Estate

**4. Reference Standard :**

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

**5. Assessment Team**

- (i) Audit Team Leader : Mohd Ab Raouf bin Asis (GAP)
- (ii) Auditor : i) Rozaimie bin Ab Rahman (Partial certification, Safety)  
 ii) Dzulfiqar bin Azmi (Safety, Environment)  
 iv) Rahayu binti Zulkifli (HCV, Social)  
 v) Mohd Zulfakar bin Kamaruzaman (Supply Chain)

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

**6. 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.

**7. 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. For major non conformities raise in the surveillance audit, correction shall be verified in the next audit. Recurring major non- conformities on the same indicator in successive

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surveillance audits shall result in the immediate suspension of the RSPO P & C certification shall be recommended.

### 8. 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.

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

### 10. 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.

### 11. 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

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



**Day 1-17/2019 (Monday):**

Time	Activities / areas to be visited				Auditee
8.30 -9.00am	Opening Meeting at PCO: <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, Time bound plan, actions taken to address previous audit findings.</li> <li>• Logistic arrangement</li> </ul>				All
9.00 - 1.00pm	To assign each audit team members – site and the P&C requirements				
	<b>Raouf</b>	<b>Rahayu</b>	<b>Rozaimée</b>	<b>Dzulfiqar</b>	Guide(s) for each auditor
	<u>Lungmanis Estate</u> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Good Agricultural Practice- witness activities at site (weeding/ spraying, etc)</li> <li>• EFB mulching, POME application</li> <li>• Chemical store/fertilizer</li> </ul> Plantation on hilly/swampy area IPM implementation, training and safe use of agro-chemicals. <ul style="list-style-type: none"> <li>• New planting</li> <li>• Continuous improvement</li> </ul>	<u>Lungmanis Estate</u> <ul style="list-style-type: none"> <li>• Social aspects - SIA, management plan &amp; implementation, workers' quarters.</li> <li>• Land titles user rights</li> <li>• Stakeholder consultation with affected communities surrounding the CU</li> <li>• Interview with gender committee, worker representative, contractors, supplier, etc</li> <li>• Linesite inspection</li> <li>• Complaints and grievances</li> <li>• Consultation with relevant government agencies</li> <li>• Inspection of protected sites with HCV attributes</li> <li>• Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone</li> <li>• HCV Assessment management plan &amp; implementation</li> <li>• Training and skill development programs</li> </ul>	<u>Jeroco 1 POM</u> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Interview with workers, safety committee and contractors</li> <li>• Facilities at workplace</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers, safety committee and contractors</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> <li>• Time bound plan and uncertified management units</li> </ul>	<u>Jeroco 1 POM</u> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Interview with workers, safety committee and contractors</li> <li>• Facilities at workplace</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	
1.00 – 2.00pm	<b>LUNCH BREAK</b>				All
2.00 – 5.00pm	Continue assessment at Lungmanis Estate	Continue assessment at Lungmanis Estate	Continue assessment at Jeroco 1 POM	Continue assessment at Jeroco 1 POM	Guide(s) for each auditor
5.00 pm	Audit team discussion / End of Day 1 audit				All

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**Day 2-2/7/2019 (Tuesday):**

<b>Time</b>	<b>Activities / areas to be visited</b>				<b>Auditee</b>
8.30 – 1.00 pm	To assign each audit team members – site and the P&C requirements				Guide(s) for each auditor
	<p align="center"><b>Raouf</b></p> <p><u>Lokan Estate</u></p> <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Commitment to long-term economic and financial viability</li> <li>Good Agricultural Practice-witness activities at site (weeding/ spraying, etc)</li> <li>EFB mulching, POME application</li> <li>Chemical store/fertilizer</li> </ul> <p>Plantation on hilly/swampy area IPM implementation, training and safe use of agro-chemicals.</p> <ul style="list-style-type: none"> <li>New planting</li> <li>Continuous improvement</li> </ul>	<p align="center"><b>Rahayu</b></p> <p><u>Batangan Estate</u></p> <ul style="list-style-type: none"> <li>Social aspects - SIA, management plan &amp; implementation, workers' quarters.</li> <li>Land titles user rights</li> <li>Stakeholder consultation with affected communities surrounding the CU</li> <li>Interview with gender committee, worker representative, contractors, supplier, etc</li> <li>Linesite inspection</li> <li>Complaints and grievances</li> <li>Consultation with relevant government agencies</li> <li>Inspection of protected sites with HCV attributes</li> <li>Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone</li> <li>HCV Assessment management plan &amp; implementation</li> <li>Training and skill development programs</li> </ul>	<p align="center"><b>Rozaimée</b></p> <p><u>Batangan</u></p> <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Interview with workers, safety committee and contractors</li> <li>Facilities at workplace</li> <li>Occupational safety &amp; health practice – witness activities at site</li> <li>Interview with workers, safety committee and contractors</li> <li>Training and skill development programmes</li> <li>Continuous improvement</li> </ul>	<p align="center"><b>Dzulfiqar</b></p> <p><u>Lutong</u></p> <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Environmental management – witness activities at site</li> <li>Waste &amp; chemical management</li> <li>Interview with workers, safety committee and contractors</li> <li>Facilities at workplace</li> <li>Occupational safety &amp; health practice – witness activities at site</li> <li>Training and skill development programmes</li> <li>Continuous improvement</li> </ul>	Guide(s) for each auditor
1.00 – 2.00pm	<b>LUNCH BREAK</b>				All
2.00 – 5.00pm	To assign each audit team members – site and the P&C requirements				Guide(s) for each auditor
	Continue assessment at Lokan Estate	<ul style="list-style-type: none"> <li>Continue assessment at Lokan Estate</li> </ul>	Continue assessment at Lutong Estate	Continue assessment at Lutong Estate	Guide(s) for each auditor
5.00 pm	Audit team discussion / End of Day 2 audit				All

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### Day 3-3/7/2019 (Wednesday):

Time	Activities / areas to be visited				Auditee
8.30 – 1.00 pm	To assign each audit team members – site and the P&C requirements				Guide(s) for each auditor
	<b>Raouf</b>	<b>Rahayu</b>	<b>Rozaimée</b>	<b>Dzulfiqar</b>	Guide(s) for each auditor
	<u>Batangan Estate</u> <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Commitment to long-term economic and financial viability</li> <li>Good Agricultural Practice-witness activities at site (weeding/ spraying, etc)</li> <li>EFB mulching, POME application</li> <li>Chemical store/fertilizer</li> </ul> Plantation on hilly/swampy area IPM implementation, training and safe use of agro-chemicals. <ul style="list-style-type: none"> <li>New planting</li> <li>Continuous improvement</li> </ul>	<u>Lutong Estate</u> <ul style="list-style-type: none"> <li>Social aspects - SIA, management plan &amp; implementation, workers' quarters.</li> <li>Land titles user rights</li> <li>Stakeholder consultation with affected communities surrounding the CU</li> <li>Interview with gender committee, worker representative, contractors, supplier, etc</li> <li>Linesite inspection</li> <li>Complaints and grievances</li> <li>Consultation with relevant government agencies</li> <li>Inspection of protected sites with HCV attributes</li> <li>Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone</li> <li>HCV Assessment management plan &amp; implementation</li> <li>Training and skill development programs</li> </ul>	<u>Lungmanis</u> <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Interview with workers, safety committee and contractors</li> <li>Facilities at workplace</li> <li>Occupational safety &amp; health practice – witness activities at site</li> <li>Interview with workers, safety committee and contractors</li> <li>Training and skill development programmes</li> <li>Continuous improvement</li> </ul>	<u>Batangan Estate</u> <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Environmental management – witness activities at site</li> <li>Waste &amp; chemical management</li> <li>Interview with workers, safety committee and contractors</li> <li>Facilities at workplace</li> <li>Occupational safety &amp; health practice – witness activities at site</li> <li>Training and skill development programmes</li> <li>Continuous improvement</li> </ul>	
1.00 – 2.00pm	<b>LUNCH BREAK</b>				All
2.00 – 5.00pm	To assign each audit team members – site and the P&C requirements				Guide(s) for each auditor
	Continue assessment at Batangan Estate	Continue assessment at Lutong Estate	Continue assessment at Lungmanis Estate	Continue assessment at Batangan Estate	Guide(s) for each auditor
5.00 pm	Audit team discussion / End of Day 3 audit				All

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### Day 4-4/7/2019 (Thursday):

Time	Activities / areas to be visited					Auditee
8.30 .– 12.30 pm	To assign each audit team members – site and the P&C requirements					Guide(s) for each auditor
	<b>Raouf</b>	<b>Rahayu</b>	<b>Rozaimee</b>	<b>Dzulfiqar</b>	Zulfakar	Guide(s) for each auditor
<u>Lutong Estate</u> <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Commitment to long-term economic and financial viability</li> <li>Good Agricultural Practice-witness activities at site (weeding/ spraying, etc)</li> <li>EFB mulching, POME application</li> <li>Chemical store/fertilizer Plantation on hilly/swampy area</li> <li>IPM implementation, training and safe use of agro-chemicals.</li> <li>New planting</li> <li>Continuous improvement</li> </ul>	<u>Jeroco 1 POM</u> <ul style="list-style-type: none"> <li>Social aspects - SIA, management plan &amp; implementation, workers' quarters.</li> <li>Land titles user rights</li> <li>Stakeholder consultation with affected communities surrounding the CU</li> <li>Interview with gender committee, worker representative, contractors, supplier, etc</li> <li>Linesite inspection</li> <li>Complaints and grievances</li> <li>Consultation with relevant government agencies</li> <li>Inspection of protected sites with HCV attributes</li> <li>Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone</li> <li>HCV Assessment management plan &amp; implementation</li> <li>Training and skill development programs</li> </ul>	<u>Lokan</u> <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Interview with workers, safety committee and contractors</li> <li>Facilities at workplace</li> <li>Occupational safety &amp; health practice – witness activities at site</li> <li>Interview with workers, safety committee and contractors</li> <li>Training and skill development programmes</li> <li>Continuous improvement</li> </ul>	<u>Lokan</u> <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Environmental management – witness activities at site</li> <li>Waste &amp; chemical management</li> <li>Interview with workers, safety committee and contractors</li> <li>Facilities at workplace</li> <li>Occupational safety &amp; health practice – witness activities at site</li> <li>Training and skill development programmes</li> <li>Continuous improvement</li> </ul>	<u>Jeroco 1 POM</u> <p>Site visit and assessment on Supply Chain Implementation including the</p> <ul style="list-style-type: none"> <li>Model used</li> <li>General Chain of Custody</li> <li>System Requirements for the supply chain</li> <li>Documented procedures</li> <li>Purchasing and goods in</li> <li>Outsourcing activity</li> <li>Sales and goods out</li> <li>Processing</li> <li>Records keeping</li> <li>Registration</li> <li>Training</li> <li>Claims</li> </ul>		
1.00 – 2.00pm	<b>LUNCH BREAK</b>					All
2.00 – 4.00pm	Verification on outstanding issues for CU Auditor to inform auditee on the required document / records Continue Audit Team discussion and preparation of assessment findings.					Guide(s) for each auditor
4.00 -4.30 pm	Discussion and acceptance on assessment findings with Management Representative and visited site Plantation / Scheme Manager					
4.30 -5.00 pm	Closing meeting at CU / End of audit					All

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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 issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	YES	It was evident that the units in Jeroco 1 CU have been providing adequate information to relevant stakeholders in accordance with Request for Information Procedure. The procedure had involved internal and external consultation. The procedure provided a form to be filled up by any stakeholder who has the interest to request any information. Nonetheless, the method of requesting information was not limited by filling up the form alone. It was also described in the procedure that other means of request such as verbal or in writing, would also be entertained.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	YES	Records of request for information and responses were being maintained in the respective files. For example, the information provided to the Sabah Labour Office when applying for the permit to employ non-resident employees, were maintained, sighted and verified during this audit.
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 Jeroco 1 CU can be demonstrated and not disputed by any party. The auditor has sighted that there were clear land ownership documents.
		Occupational health and safety plans	YES	Safety and Health plan was available at Jeroco 1 CU
		Plans and impact assessments relating to environmental and social impacts	YES	The SIA action plans were updated and each of issues were identified for each of the Estates and POM. Jeroco 1 CU has conducted social assessment titled 'Social Impact Assessment, Management Action Plans and Continuous Improvement Plans'.
		HCV documentation summary	YES	The Jeroco 1 CU have established the HCV's documentation summary, and posted at each notice boards at all estates, as well as Jeroco POM 1.
		Pollution prevention and reduction plans	YES	JPOM 1 and estates have identified all sources of pollution resulted from their activities. Pollution prevention and action taken also made available. Among of activities covered include waste management, effluent discharge, conversation of natural resources and mill/estate operation.
		Details of complaints and grievances	YES	Details of complaints and grievances are available in the respective complaints files established at each unit within Jeroco 1 CU.
		Negotiation procedures	YES	Jeroco 1 CU had developed procedures to deal with land disputes, squatter disputes, and loss of legal and customary rights, as stated in "Land Dispute Management".
		Continual improvement plans	YES	Continual improvement plans maintained available. Continual improvement was reported

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Clause	Indicators		Comply Yes/No	Findings
				in the indicator 8.1. The continuous improvement plans were established and updated accordingly by the Executives from the Sustainability Department.
		Public summary of certification assessment report;	YES	The public summary made publicly available at website by SIRIM QAS.
		Human Rights Policy	YES	The human rights policy maintained available. The policy was posted at office notice boards and sighted during the audit.
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	Jeroco 1 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) has been communicated to the new staffs and foreign workers during induction course.

### **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	Generally, Jeroco 1 CU had demonstrated compliance with local, state, national and ratified international laws and regulations. Relevant licenses and permits such as DOE, DOSH, JTK MPOB license, Energy Commission and Ministry of Domestic Trade for diesel storage were valid and displayed at the estate office. Site audit at operational areas and supporting facilities confirmed evidence of compliance. Foreign Workers had valid work permits and passports. For other Legal requirement, these legal were reviewed: Permit (JTK) to salary deduction, MPOB license, License "Menggaji pekerja bukan pemastautin", Permit to storage diesel, Trading license, Suruhanjaya Tenaga License, Fire Certificate etc. Other legal requirements were as follows: Steam Boiler and Unfired Pressure Vessel 1970, The Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 Regulation 10(2), Noise Exposure Regulations 1989, OSH (Use and Standards Of Exposure of Chemicals Hazardous to Health Regulations 2000), Code of Practice in Confined Space 2010, EQ (Scheduled Wastes) Regulations 2005, EQ (Prescribe Premises)(CPO) Regulations 1978, Electricity Supply Act etc. However, it has been noted that the last audiogram was conducted in Jan 2019 for selected workers/staff by a registered OHD from Chong Clinic. Results from the assessment showed that there were some employees with standard threshold level and recommendation made by OHD to conduct retest. The retest for 3 workers who have standard threshold level within three months from the last date of the audiometric was not complied with, hence #Major NCR RAR 01 2019 has been raised.
	2.1.2	A documented system, which includes written information on legal	YES	There was a documented system in place which provides written information on legal requirements. It was prepared by the Sustainability Department and known as the Legal and Other Requirements Register. Each operating unit has its own copy of the Legal and Requirements Register and were

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Clause	Indicators	Comply Yes/No	Findings
	requirements shall be maintained. Minor Compliance		evaluated individually annually for its compliance. The Legal Register contained details of the applicable legal and other requirements.
	2.1.3 A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	Jeroco 1 CU maintained its mechanism for ensuring all the applicable legal requirements implemented. The mechanism was by internal audits.
	2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	The company has established a system for tracking changes to the relevant legal requirements. It involves maintaining and updating the Legal Register whenever there was a change to the laws and/or regulations.
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.	2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised NCR land) and the actual legal use of the land shall be available. Major Compliance	YES	The right to use the land at Jeroco 1 CU can be demonstrated and not disputed by any party. Auditor sighted that there were clear land ownership documents. 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. Review of the land titles show that the requirements that the land title for all the estates namely for cultivation of an agricultural crop of economic value have been complied with.
	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 legal boundaries of the estates were visibly maintained. This was evidenced by the presence of white painted pegs along the boundary, especially the ones adjacent to other plantations and forest reserves.
	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	There were no local communities surrounding of Jeroco 1 CU, as stated in the Social Impact Assessment dated in 2012. The Social Action Plan reviewed in July 2018 has also confirmed no change to the stakeholder listing. Therefore, no land was encumbered by customary rights or dispute from any stakeholder at Jeroco 1 CU.
	2.2.4 There shall be an absence	YES	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3

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Clause	Indicators	Comply Yes/No	Findings
	of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance		
	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	There were no land conflicts sighted during the audit, as explained in indicator 2.2.3
	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 & planned ops. Major Compliance	YES	Auditor had verified through stakeholders meeting and interview with management and other oil palm plantation companies that there was no conflict raised due to violence action taken by Jeroco 1 CU to maintaining peace and order in their current and planned operations. In addition, Jeroco 1 CU had employed watchmen in order to guard of their workers, staffs, children's life, their belongings and company's property.
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior, and informed consent.	2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights shall be developed thru participatory mapping involving affected parties. Major Compliance	YES	This requirement was not applicable for Jeroco 1 CU since there has been no land was hindered by customary rights or dispute from any stakeholder. There were no land conflicts sighted during the audit, as explained in indicator 2.2.3
	2.3.2 Copies of negotiated agreements detailing the process of FPIC shall be available and shall include:	N/A	This requirement was not applicable for Jeroco 1 CU since there has been no land was hindered by customary rights or dispute from any stakeholder.
	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	N/A	This requirement was not applicable for Jeroco 1 CU since there has been no land was hindered by customary rights or dispute from any stakeholder.



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Clause	Indicators	Comply Yes/No	Findings
	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;	N/A	This requirement was not applicable for Jeroco 1 CU since there has been no land was hindered by customary rights or dispute from any stakeholder.
	c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance	N/A	This requirement was not applicable for Jeroco 1 CU since there has been no land was hindered by customary rights or dispute from any stakeholder.
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	N/A	This requirement was not applicable for Jeroco 1 CU since there has been no land was hindered by customary rights or dispute from any stakeholder.
2.3.4	Evidence shall be available to show that communities are represented through institutions or reps of their own choosing, including legal counsel. Major Compliance	N/A	This requirement was not applicable for Jeroco 1 CU since there has been no land was hindered by customary rights or dispute from any stakeholder.

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

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (minimum three years) shall be documented. That includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	All 4 estates visited maintained to have minimum 4 years' business plans. The budget allocations at estates, include activities for operating expenditure i.e. upkeep, cultivation, harvesting & evacuation, welfare, other than that, capital expenditure, RSPO compliance, etc. Attention was given to crop projection, cost of production, cost per ton and per hectare indicators to monitor the performance of each operating unit. The cost of production was reviewed and compared against expenditure each year with projections in place for future years. While, provisions at mill, include the activities for milling process, general charges, RSPO compliance and capital expenditure.
	3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, shall be available. Minor Compliance	YES	Replanting program was tabulated annually consistence with business plans reviewed. The decision for replanting was guided by Oil Palm Agriculture Policy (OPAP), agronomy department and approved by Chief Executive Group Plantation (CEGP).

**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	Oil Palm Agriculture Policy (OPAP) is the manual used for the operations in the estate. The manual is maintained and updated accordingly. It was confirmed that all activities in the estates from seedlings in nursery to planting in the fields have been included in the Manual. The document specifies the following sections such as pest & diseases management (control of Rhinoceros Beetles, rat, bagworms and nettle caterpillars, ganoderma), fertilizer of replanting (terracing and platforming, planting distances and lining), nursery (single and double stage nursery), manuring, weeding, water management, road maintenance management, thinning, epiphyte eradication, belt press solid application (BPS), pruning and harvesting.
	4.1.2	A mechanism to check consistent impl. of proc. shall be in place. Minor Compliance	YES	Several mechanism available i.e. internal audit, agronomy dept. visit, plantation advisor visit.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	Relevant records on implementation and monitoring of Agriculture Manual and other SOP at the CU were clearly verified. Among the records sighted were: Program sheets, Field cost books, Planting Advisor reports, Agronomic reports, Audits by Sustainability Officers, Harvesting Interval records, Rat baiting records, Fertiliser application records, Monthly Progressive Reports, scheduled wastes records, PPE Checklist etc. Most records were being maintained for more than a year and some much longer.
	4.1.4	The mill shall record the origins of all third-party sourced FFB.	Yes	No third party FFB.

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Clause	Indicators	Comply Yes/No	Findings	
	Major Compliance			
C 4.2 Practices maintain soil fertility at or, where possible, improve oil fertility to a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in the SOPs, are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	All estates continued to practice the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields), belt press solid application and EFB application.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Fertiliser inputs were based on recommendation by the Agronomist Department. The application programs were monitored using program sheets, bin cards, field cost book and manuring program sheets. Records of programs and applications of fertilisers were available. Records showed that actual applied in 2018 and 2019 was in line with recommendations in all estates.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	Periodic tissue and soil sampling had carried out in Jeroco 1 CU to monitor changes in nutrient status and its results formed the basis for the fertilizers input recommendation.
	4.2.4	A nutrient recycling strategy shall be in place and may include use of EFB, POME, and palm residues. Minor Compliance	YES	All estates had a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose. EFB were also applied. EFB applied in the mature and immature oil palm area (replants).
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	YES	There were no fragile/marginal soils in both estates visited based on the soil maps provided sourced from Soil of Sabah.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 & 25° unless specified otherwise by the company's SOP. Minor Compliance	YES	Jeroco 1 CU had a management strategy for planting on slopes and to minimise and control erosion and degradation of soils. The plantings on slopes was guided by its Oil Palm Agriculture Policy. The agronomy department guided by Land Survey Department to established slope map for all estates.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	During the field visit, it was observed that the main and field roads of Jeroco 1 CU were in satisfactory condition and accessibility were made possible by regular maintenance. There was evidence of road maintenance programmes which consist of road resurfacing with grading and compaction and culvert maintenance.

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Clause	Indicators	Comply Yes/No	Findings
	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 all estates in Jeroco 1 CU. It was supported with soil map provided by estate.
	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.MinorCompliance	YES	No peat soil observed in all estates in Jeroco 1 CU. It was supported with soil map provided by estate.
	4.3.6 A management strategy shall be in place for other fragile and problem soils. Minor Compliance	YES	There were no problematic soils in both estates.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1 An implemented water management plan shall be in place. Minor Compliance	YES	Water management plans has been prepared by sustainability executive for the Jeroco Group Estates and POM.
	4.4.2 Protection of water courses and wetlands, including maintaining & restoring appropriate riparian&other buffer zones shall be demo. Major Compliance	YES	All Estates had continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all-natural waterways within the estates. The boundary marker for buffer was sufficiently maintained.
	4.4.3 Appropriate treatment of mill effluent to required levels&regular monitoring of discharge quality, shall be in compliance with national regs. Minor Compliance	YES	An Effluent Treatment Plant (ETP) was available at JPOM 1 to treat the POME. According to DOE's license, the disposal method of the final discharge is through land irrigation (pumping sump). The ETP was regularly maintained by desludging of the ponds to ensure its efficiency. Final discharge samples were taken on monthly basis and sent to an accredited laboratory for analysis. All parameters were within the regulatory limit BOD discharged to land irrigation was below than 20 mg/l.
	4.4.4 Mill water use/tonne of FFB shall be monitored. Minor Compliance	YES	Processing water obtained from water catchment area, the use of water in the mill was monitored accordingly.

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Clause	Indicators		Comply Yes/No	Findings
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	Jeroco 1 CU continued to implement IPM in all the estates. All estates continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques guided by the Oil Palm Agriculture Policy (OPAP). The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. For bagworm control the program includes the planting of beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subulata</i> and for rhinoceros beetles was by using pheromone traps.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	YES	Training related to IPM implementation as per the OPAP Chapter 10 conducted the PIC in every estates. The understanding of the workers involved was satisfactory based on random interview conducted.
C 4.6 Pesticides are used in ways that do not endanger health or the environment.	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	YES	The use of all agrochemicals by the estates (Batangan, Lokan, Lungmanis and Lutong) was guided by its agriculture manual Oil Palm Agricultural Policy (OPAP) 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 (incl. active ingredients used and their LD50, area treated, amount of a.i. applied per Ha and no. of application) shall be provided. Major Compliance	YES	All estates visited maintained records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used. The total quantity used, number of applications and active ingredients (a.i.) per Ha were also recorded. These includes 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.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with IPM plans. There shall be no prophylactic use of pesticides, except in specific situations identified in ind.'s Best Practice. Major Compliance	YES	As part of the IPM plans, management of all estates had established nectariferous beneficial plants nurseries for continuous planting in order to attract natural predators and thus to reduce use of insecticides.

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Clause	Indicators		Comply Yes/No	Findings
	4.6.4	Pesticides that are categorised as World Health Org. 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 Regs (2000). Minor Compliance	YES	Records showed that pesticides were handled, used and applied by trained personnel and as per the MSDS of the pesticide. The staff and workers such as the storekeepers, sprayers, workers applying fertilizer and rat baits were trained. Random interviews conducted showed that they understood the hazards involved and the usage and handling of chemicals in a safe manner. The trade and generic names of the chemicals were made known to the workers through the CSDS training. It was also noted that CSDS were available at all sites. Trainings on spraying were also carried out accordingly.
	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 applic. eq. shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers. Major Compliance	YES	Based on site observations, the chemicals at the estates were stored in accordance with the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Only authorized personnel have the access to the chemical store (store keeper & assistant manager). Records showed that pesticides were handled, used and applied by trained personnel and as per the SDS of the pesticide. The staff and workers such as the storekeepers, sprayers, workers applying fertilizer and rat baits were trained. Random interviews conducted showed that they understood the hazards involved and the usage and handling of chemicals in a safe manner. The trade and generic names of the chemicals were made known to the workers through the CSDS training.

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Clause	Indicators	Comply Yes/No	Findings
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes. 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 Regs. Major Compliance	YES	The chemical stores in all estates were found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149). Records of purchase, storage and use were maintained. All of the stores were equipped with exhaust fans and the door was secured. Only authorized personnel are allowed to handle the chemicals. All the chemicals were segregated accordingly. The class 1a chemical, Methamidophos (Enforce) in all Estates was packed individually and kept in a locked separate room with proper ventilation. Empty pesticides containers were triple rinsed, holes punched in them and stored separately in the scheduled wastes store awaiting proper disposal.
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	Pesticide applications were guided by HSPHB's OPAP manual, SSOP, CHRA and by MSDS supplied by the manufacturer. In its OPAP manual the guidance was in Chapter. The Manual had included a chemical register list which indicates the purpose of usage (intended target), hazards signage, trade and generic names. The safe handling, storage and use of chemicals were demonstrated in the SSOP manual.
4.6.8	Pesticides shall be applied aerially only where there is doc. justification. Communities shall be informed of impending aerial pesticide applications with all relevant info within reasonable time prior to application. Major Compliance	YES	The staff and workers such as the storekeepers, sprayers, workers applying fertilizer and rat bait were continuously trained. The training was regularly conducted by the estate management to enhance knowledge and skills of employees. The training included the safety aspects and usage of PPE. Records of training were maintained for verification. Random interviews with the workers showed that they had understood the hazards involved and the usage and handling of chemicals in a safe manner. Aerial spraying was not practiced by all 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 & skills of employees & associated s/holders on pesticide-handling shall be demo or made available. Minor Compliance	YES	The staff and workers such as the storekeepers, sprayers, workers applying fertilizer and rat bait were continuously trained. The training was regularly conducted by the estate management to enhance knowledge and skills of employees. The training included the safety aspects and usage of PPE. Records of training were maintained for verification. Random interviews with the workers showed that they had understood the hazards involved and the usage and handling of chemicals in a safe manner.

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Clause	Indicators		Comply Yes/No	Findings
	4.6.10	Proper disposal of waste material, according to procedures that are fully-understood by workers and managers shall be demonstrated. Minor Compliance	YES	The documentation and identification of all waste product such as scheduled wastes, domestic wastes, clinical wastes, recyclable wastes such as metal, tins, plastics, bottles, mill wastes and polluting material e.g. EFB and POME. Scheduled wastes identified included hydraulic oil (SW305), spent lubricant oil (SW306), used chemical containers/drums (SW409), chemical wastes (SW429), laboratory (SW430), used batteries (SW102), and fertilizers bag (SW410). Scheduled wastes were stored at centralized scheduled waste store in Jeroco Central workshop. Disposal of empty pesticide containers were carried out as per established procedures. Triple rinsing procedures was continually implemented for empty pesticide containers. The rinsed containers were then pierced and stored prior disposal. Records on usage and disposal were well recorded and documented. Scheduled wastes had been disposed of through a licensed contractor approved by DOE.
	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 recommendation from the CHRA was mainly on the training for operators working in laboratory, ETP, WTP, Boiler, workshop, scheduled waste and chemical store. In addition the assessor recommended medical surveillance be conducted for the categories of employees in the workshop and laboratory and chemicals handlers. The medical surveillance, chemical exposure monitoring and engineering control examination were carried out accordingly.
	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 both estates. 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. The occupational health and safety plan shall cover the following:	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 policy had been communicated to all levels of the organization through briefings and also displayed prominently in Bahasa Malaysia and English on notice boards at mill and estate office and Muster Ground. Random interviewed with employees showed that they generally understood the basic requirements of the policy.
	4.7.2	All operations where health and safety is an issue shall be risk assessed & procedures and actions shall be documented implemented to address the identified issues. All precautions	YES	Both the mill/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.



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Clause	Indicators	Comply Yes/No	Findings
	attached to products shall be properly observed and applied to the workers. Major Compliance		
4.7.3	All workers involved in the operation shall be adequately trained in safe working practices. Adequate & appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land prep., harvesting and, if it is used, burning. Major Compliance	YES	Training and Briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions were adhered to. During site visit at all estates was sighted all workers wearing appropriate PPE such as: -harvester: gloves, google, wellington boots & safety helmet -sprayer: nitrile gloves, google, wellington boots, safety helmet, and apron Training for employees are conducted from time to time based on needs through various method such as on the job training, briefings, meetings, etc. to increase awareness and knowledge to the employees.
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	The letter of appointment for the Managers signed by the General Manager 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. All estates and the mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. Minutes of meetings held by the mill and estates were verified.
4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident proc. shall be available in the appropriate language of the workforce. Assigned	YES	All Estates and Mill has continued to implement Emergency Reponses Plan. The ERT consisting of trained First Aiders, mill/field staffs, Mandores, Admin clerk, workshop operator and Security personnel. Interviews with mill/estate staffs and mandores revealed they understood and were aware of the emergency procedures requirements. It was observed that all operating units were provided with first aid boxes which were checked on a monthly basis by the Hospital Assistants. At the estates, first aid box was given to mandores and available at estate office, workplace and chemical store. 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

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Clause	Indicators		Comply Yes/No	Findings
		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		Brigade, and Hospital were also included. Jeroco CU had emergency response plan and has been prepared by ESHS officer.
	4.7.6	All workers shall be provided with medical care and covered by accident insurance. Minor Compliance	YES	Jeroco CU provides medical care to the respective estates and mill. Jeroco Mill & Estates clinics use the facilities in Batangan Estate. The more serious cases were referred to Hospital Lahad Datu which was about 80 km from the complex. The local workers were covered by SOCSO. Similarly, upon expiry of FW insurance coverage all FW will be registered for the coverage of SOCSO under the new Regulations.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	Records of all accidents were kept and filed. The methodology of occupational injuries was recorded using LTA. (Lost Man day MC). This was summarized officially in the JKPP 8. Records were kept for a minimum 10 years in the office. Summary for the year was described in the JKPP 8 a mandatory requirement for submission to DOSH by Jan of the subsequent year. Cases if any were reviewed during safety meetings. Where required submissions of JKPP 6, & 8 to DOSH were complied with under the legislative requirement. Investigations and revision of HIRARC where appropriate were made accordingly. All units submitted the JKPP 8 in Jan 2018 complying with the DOSH statutory requirement.
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	YES	Formal training programmes for 2018/2019 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors by the Jeroco 1 CU. Year 2019 Training Plan was established in January 2019. A training needs identification matrix has been established with target dates for the training to be conducted.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	YES	Records of training conducted were available.

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**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	Jeroco POM 1 has established its environmental aspects / impacts register associated with their activities. Environmental aspect and impact (EAI) which covers from upstream activities such as FFB reception until downstream processes was sighted during assessment and established. Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the most significant environmental receptors were the boiler stack emission which associated with air emission, palm oil mill effluent (POME) discharge to land application. For the estate operation, all activities from harvesting, pest and disease, upkeep program until delivery to mill has been identified. For all estates, latest environment aspect impact assessment was reviewed on 26/06/2019 covering all activities in estates certification units. The main purposed of this assessment was to evaluate and analyze the operations impact on soil, water, and air 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 replanting operation.
	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/persons. Minor Compliance	YES	From the assessment, the sampled estates seen able to established an “Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plan for Jeroco 1 CU” to mitigate the negative impacts. Based on the plan, the respective estate managers have the full responsibility to execute the management plan to follow up by his assigned assistants. In JPOM 1 POM, there are no significant changes from the current EAI established practice. Due to no changes identified in the mill operation, therefore no timetable for any change is required. During mill visit, the EAI was used as guide and no discrepancy found. The person in charge and the control required were properly recorded in the management plan. Positive and negative impacts were identified. So far no timetable for changes identified.
	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 and reviewed the “Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plan for Jeroco 1 CU” to monitor the effectiveness of the mitigation measures taken. Implementation and monitoring of the documented environmental management plans will be reviewed on annual basis. The review will take into consideration the mitigation of negative impacts and promotion of positives ones such as the monitoring of buffer zone, scheduled waste management, promote zero burning replanting and etc.
C 5.2	5.2.1	Information shall be collated in a	YES	Gathering of information on HCV was available in report “Potential High Conservation Value

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Clause	Indicators		Comply Yes/No	Findings
<p>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.</p>		<p>HCV assessment that includes both the planted area itself&amp;relevant wider landscape-level considerations. Major Compliance</p>		<p>Area Assessment Report of Lutong Estate, Batangan Estate, Lokan Estate, Lungmanis Estate and Jeroco Palm Oil Mill 1 (JGOE 1)". This report was prepared by the Sustainability Executive and was made available during the surveillance audit. The report has identified 8 potential HCV areas with the total area of 386.34 Ha.</p>
	5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance</p>	YES	<p>The HCV Report of Jeroco 1 CU has identified a potential RTE species along Sg Kertam at Batangan Estate, namely crocodiles. Crocodile is listed as Endangered in the IUCN Red List. Measures taken to maintain/enhance this species as stated in the HCV Action Plan include monthly monitoring, maintain riparian reserve, prohibiting against cutting down trees, spraying, periodic visit to monitor illegal activities, awareness briefings to the workforce during muster on the prohibition against hunting, spraying and manuring within buffer zones. Visits are also being conducted to HCV sites to check on indiscriminate spraying, monitor for illegal activities, monitor housing area for any capture of protected wildlife, and continuation of buffer zone maintenance.</p>
	5.2.3	<p>There shall be a programme 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</p>	YES	<p>It was evident that regular briefings were being given to workers on RTEs, the prohibition against illegal activities such as hunting, capture, killing and keeping of RTEs. Workers were also informed that offenders will be reported to the Wildlife Department and police.</p>
	5.2.4	<p>Where an action plan has been created there shall be ongoing monitoring: The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the action plan. Minor Compliance</p>	YES	<p>It was evident that the monitoring of HCV were being conducted by all the Estates under Jeroco 1 CU on a monthly basis.</p>
	5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that</p>	N/A	<p>There were no local communities living adjacent to or nearby Jeroco 1 CU. Thus, this indicator was not applicable.</p>

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Clause	Indicators	Comply Yes/No	Findings
	optimally safeguards both the HCVs and these rights. Minor Compliance		
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	Jeroco 1 CU has documented the identification of all waste product and sources of pollution. The "List of Waste Generated and Management Plan" were established to mitigate applicable identified waste product and source of pollution the plans.
	5.3.2 All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticide containers was punctured and disposed in an environmentally and socially responsible way, such that there was no risk of contamination of water sources or to human health. Inventory and consignment documents verified for confirmation of proper management and disposal. The scheduled wastes generated at Jeroco 1 CU not more than 180 days @ 20mt.
	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. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution during routine operation.
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	Sighted the "Fossil Fuel Management Plan" and among the action plan and programmed were: <ul style="list-style-type: none"> <li>▪ Regular servicing of the generator set for smooth running of engines and prevent excessive emission of greenhouse gas.</li> <li>▪ Estate/mill has set up a schedule the usage of fuels and monitor it at 3 time per week basis.</li> <li>▪ Drivers were required to inspect their vehicle on daily basis and recorded inside the vehicle inspection checklist.</li> </ul> The program was monitored accordingly.
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003. Major Compliance	YES	Jeroco 1 CU maintain a strict Zero Burning policy is practiced in relation to all new plantings, replanting or other development. Mill and 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 was chipped and stacked at inter row.
	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 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003. Minor Compliance	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 activity Lutong, Lokan, Lungmanis and Batangan Estate. All palms were chipped and left decomposed at field.
C 5.6	5.6.1 An assessment of all polluting	YES	Monitoring of mill gas emissions was being done online using the Continuous Emission

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Clause	Indicators	Comply Yes/No	Findings																											
<p>Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised 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 December 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</p>	<p>activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p>		<p>Monitoring System (CEMS) and supported by Ringelmann Smoke Charts. Report show evidence that the emission is within the permissible limits of DOE as verified by document made available during on site visit to the JPOM 1. POME treatment, monitoring and land application was monitored, maintained and adhere to DOE requirement. Stack emission and boiler ashes were maintained and monitored at mill. Regular reporting of twice yearly was carried out and report made available during the audit. BOD analysis was conducted on a monthly basis and result confirmed it was below the allowable limit i.e. &lt;20mg/l as per DOE specification. Water analysis, both raw and treated water, conducted one every 6 months and based on the result, water quality monitoring is generally within WHO at all monitoring points.</p>																											
	<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance</p>	<p>YES</p>	<p>Jeroco Group had identified emission of greenhouse gas (GHG) from their operations such as emission from their farm tractor and gen set operation. The management from all 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. Also sighted that commissioning of biogas plant in March 2017.</p>																											
	<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance</p>	<p>YES</p>	<p>The CU had used RSPO Palm GHG version 3.0.1 Calculator as a tool to calculate the GHG emissions. The Jeroco 1 CU has used option 2 full version to calculate the data. Sighted report sends to RSPO in Apr 2019. The input data was verified and the following were determined:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>tCO<sub>2</sub>e/tProduct</th> <th>Production</th> <th>t/yr</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>0.40</td> <td>FFB Processed</td> <td>263507.16</td> </tr> <tr> <td>PK</td> <td>0.40</td> <td>CPO Processed</td> <td>55005.03</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>25858.90</td> </tr> <tr> <td>OP Planted on Peat</td> <td>0.00</td> </tr> <tr> <td>Conservation (forested)</td> <td>0.00</td> </tr> <tr> <td>Conservation (non-forested)</td> <td>0.00</td> </tr> <tr> <td>Total</td> <td>25858.90</td> </tr> </tbody> </table> <p><b>Milling extraction rate:</b></p> <table border="1"> <tbody> <tr> <td>OER</td> <td>20.87</td> </tr> <tr> <td>KER</td> <td>4.68</td> </tr> </tbody> </table>	Description	tCO <sub>2</sub> e/tProduct	Production	t/yr	CPO	0.40	FFB Processed	263507.16	PK	0.40	CPO Processed	55005.03	Land Use	Ha	OP Planted Area	25858.90	OP Planted on Peat	0.00	Conservation (forested)	0.00	Conservation (non-forested)	0.00	Total	25858.90	OER	20.87	KER
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**Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS**

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	YES	SIA Assessment Report for Jeroco 1 CU entitled "Social Impact Assessment, Management Action Plans and Continuous Improvement Plans, Jeroco Group of Estates and Jeroco Palm Oil Mill 1 & 2," was prepared in October 2012. Records of meetings were also sighted and based on the reports reviewed, there is evidence that it was prepared with the participation of Jeroco 1's relevant stakeholders. Identification of the positive and negative social impacts were also made. The report also contained the estates' and mill's background information, labour policies, grievance procedures (internal and external), sexual harassment policies, facilities and amenities offered by the estates, and the social impact assessment procedures and results.
	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 Jeroco 1's relevant stakeholders which 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 promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance	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 parties. The issues raised, actions to be taken and timeframe and person responsible for implementation were documented.
	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, it was evident that the SIA Action Plan was reviewed at least once a year and updated as necessary.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance	Yes	Jeroco 1 CU does not include any smallholder schemes and therefore Indicator 6.1.5 is not applicable.
C 6.2	6.2.1	Consultation and communication	YES	There is a documented consultation and communication procedures identified as Stake-



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Clause	Indicators		Comply Yes/No	Findings
<p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties</p>		<p>procedures shall be documented. Major Compliance</p>		<p>holder. This procedure identifies impacts of the Company's operations on its stakeholders based on interview, consultation, discussion and meetings with its stakeholders. The Company also has a Communication Procedure that provides the procedures for external and internal stakeholders to lodge a complaint or grievance on matters related to safety, health, cleanliness, environmental, disputes, thefts, and others. These Procedures have been communicated to workers during muster briefings and workers who were interviewed confirmed their understanding of the communication procedures in place.</p>
	6.2.2	<p>A management official responsible for these issues shall be nominated. Minor Compliance</p>	YES	<p>The respective management officials responsible for social issues which included maintenance of peace, welfare, safety and health were appointed accordingly.</p>
	6.2.3	<p>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</p>	YES	<p>The stakeholder lists for all the units, namely Lungmanis, Batangan, Lutong and Lokan Estates, as well as Jeroco 1 Palm Oil Mill were all available and sighted during the surveillance audit. Records of these meetings and actions taken were all being maintained and reviewed during the surveillance audit.</p>
<p>C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p>	6.3.1	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance</p>	YES	<p>There is a documented system for dealing with complaints and grievances. This system is open to all affected parties to resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers. The grievance mechanism identifies who can submit complaints (public, staff, workers, villagers), who can receive the complaints (clerk, chief clerk, assistant manager, manager). There is also a flowchart on how the dispute is to be handled. There is also an option for complaints to remain anonymous, by keeping the complaints in a confidential file kept in Manager's office with an undertaking that information would be kept confidential.</p>
	6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance</p>	YES	<p>Documentation of both the process by which a dispute was resolved and the outcome was available. Complaint feedback logbook where complaints are recorded and filed was reviewed. For Jeroco 1 Palm Oil Mill and all the Estates within Jeroco 1 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.</p>
<p>C 6.4 Any negotiations concerning compensation for loss of legal,</p>	6.4.1	<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>	YES	<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, and is known as Land Dispute Management.</p>

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Clause	Indicators		Comply Yes/No	Findings
customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.2	A procedure for calculating and distributing fair compensation shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants & long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	YES	Procedure available. As of the date of the audit, no case of negotiation and payment of compensation has been carried out for verification of implementation.
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	YES	As of the date of the audit, no case of negotiation and payment of compensation has been carried out for verification of implementation.
	C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES
6.5.2		Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	YES	Jeroco 1 CU issues out contracts of employment to all its foreign employees, and letters of offer of employment to its Malaysian employees. The employment contracts were prepared in Bahasa Malaysia which is the language understood by the Malaysian and Indonesia workforce. The contents of the contract were explained to them by the management representative.
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	NO	The Company provides adequate housing for all their Mill and Estate workers. Workers are also accorded water supplies, electricity, medical, educational and welfare as required under the Workers' Minimum Standard of Housing and Amenities Act 1990. 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 six-monthly basis.

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		Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible. Minor Compliance		However, it was found that Lungmanis Estate did not provide milk and play equipment for the creche. Therefore, a Minor Non-Compliance RZ01 of 2019 was raised.
	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. Among the items sold were rice, cooking oil, flour, sugar, salt, coffee, eggs, canned drinks, bottled water, etc. Sundry shops are available at all Estates and Mill housing areas. All sundry shops are required to provide a list of prices for all items sold in the shops for price monitoring, and the prices for every item are clearly labelled. Workers interviewed also confirmed that the prices at the sundry shops are reasonable, taking into account the distance between the shops and the nearest town.
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	Jeroco 1 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. Employment contracts sighted do not contain any prohibitive clause from joining any trade unions.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	In practice, there was no trade union/workers' union. However, 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.
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 which states that the company shall not employ under aged 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,	6.8.1	A publicly available equal opportunities policy incl. id of relevant/affected groups in the local environment shall be documented. Major Compliance	YES	The company has an Equal Opportunities Policy, stated that equal opportunities for hiring, promotions, benefits, etc. shall be provided to all workers re-gardless of race, religion or gender.

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Clause	Indicators		Comply Yes/No	Findings
religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	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 was 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.
	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.
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	Jeroco 1 CU complied with 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 has documented Reproductive Rights Policy specified 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. Female employees have been briefed on their reproductive rights, maternity benefits entitled to them, and requirement that women working with chemicals should inform the company if they were pregnant so they can be allocated to other work.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	YES	The 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 Lodging Complaints – Sexual Harassment, Violence and Abuse.
C 6.10 Growers and millers deal fairly and transparently with smallholders and other local	6.10.1	Current and past prices paid for FFB shall be publicly available. Minor Compliance	N/A	This Indicator is not applicable as the Jeroco 1 CU does not receive any crops from smallholders or any other third parties.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing	YES	It was evident that the Estates and Mill under Jeroco 1 CU have the FFB price mechanism explained to its contractors.

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businesses.				
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	YES	The Company has demonstrated that the contractor has been provided with a contract document. The job contract specified that the work commencement period and special conditions, namely that the contractor was to be responsible for payment and contribution to the EPF, foreign workers compensation, SOCSO, compliance with environmental and health regulations, and not to employ persons under the age of 18. The contractor also confirmed that the contract was fair, legal and transparent.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	YES	The contractor 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 Jeroco 1 CU plantation area. However, Jeroco 1 CU contributions to the community were being centralized at the Batangan Central Office and were based on the results of consultation with local communities.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	N/A	The Jeroco 1 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. All Mill and Estate workers interviewed informed that overtime was not excessive and they were not forced to carry out any overtime. It was confirmed also from overtime hours stated on sampled pay slips were within the legal limit of 104 hours per month. Any request for overtime work was mutually agreed with the workers.
	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 stated 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 stated that 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	6.13.1	A policy to respect human rights shall be documented and	YES	The company has the Human Rights Policy stated the commitment to protection of Human Rights for workers, contractors, indigenous people, local communities and anyone

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Clause	Indicators	Comply Yes/No	Findings
respect human rights	communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance		affected by the company's operations. Additionally, the company also has a Sustainable Agriculture Policy which contains a declaration to "Respect and Support the Universal Declaration of Human Rights". Labour policy for foreign workers was made available at all estates and Jeroco POM 1 as displayed at notice board.
	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	Jeroco 1 CU provides Humana schools and Community Learning Centres (CLC) for foreign workers' children aged between 5 and 14. The Jeroco 1 CU provides the premises, houses for the teachers, free maintenance such as water, electricity, and repairs works. 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 Jeroco 1 Mill 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.

### **Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS**

Auditors has verified through satellite image of Sentinel and Estate Maps and also through site visit to external boundary with IOI and Sg. Simpang Kanan Forest Reserved at Lungmanis, Batangan, Lokan and Lutong Estate. It has been confirmed there were no new planting or new development of areas at the Jeroco 1 CU. Hence, this principle was not applicable to Jeroco 1 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:		
	a) Reduction in use of pesticides (Criterion 4.6);	YES	The CU adopted several continuous improvements 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 (as per HSPHB OPAP 10 Policy). The CU also adopted planting of <i>Leguminious</i> Cover Crop mainly <i>Pueraria Javanica</i> and <i>Calopogonium Mucunoides</i> at replanting area to minimizing

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Clause	Indicators		Comply Yes/No	Findings
				<p>circle and selective weeding.  <i>Neproliphis biserata</i> was maintained and encouraged to be planted in Jeroco POM 1 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. All Estates continued to manage pests, disease and weeds using appropriate IPM techniques. Pheromone traps to trap Rhinoceros Beetles were used in estates' replants and treatment with the insecticide Furadan 3G was only carried when more than 10 Rhinoceros Beetles / week / trap were caught.</p>
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	<p>Environmental impact assessment, management action plans and continuous improvement plan for Jeroco 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.</p>
	c)	Waste reduction (Criterion 5.3);	YES	<p>The management of Jeroco Group 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.</p>
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	<p>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.</p>
	e)	Social impacts (Criterion 6.1);	YES	<p>Among the continual improvement that were identified with the stakeholders and included in the SIA action plans include:</p> <ul style="list-style-type: none"> <li>- Providing treated water to HUMANA school;</li> <li>- Repair of toilets at HUMANA school;</li> <li>- Clearance of blocked drains at workers' housing;</li> <li>- Putting up street lights along the road to SK Jeroco</li> <li>- Upgrading and repair works of workers' housing to be done in stages which includes plans to change corroded water pipes.</li> </ul>
	f)	Encourage optimising the yield of the supply base Major Compliance	YES	<p>Jeroco POM 1 CU is part of a well-established organization. Yield performance has always been the top priority in ensuring long-term economic and financial viability. Various efforts have been carried out to optimise the yield of the plantation. This included minimising crop losses, ensuring the soil fertility by timely and well monitored fertilizer application and biomass recycling. Roads and transportation vehicles well maintained to ensure timely and proper crop.                      Merit Point System (MPS), which is to ensuring better loose fruit collection, no left bunches and no un-harvested bunches at field by Agronomist Department and being monitored by Plantation Management Committee. Furthermore, the company has always</p>

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Clause	Indicators	Comply Yes/No	Findings
			keep itself updated with possible technological options especially in better planting material. To optimise yields, all estates implemented best agricultural practices, inclusive of: <ul style="list-style-type: none"> <li>• timely and proper fertiliser application and EFB &amp; Compost application</li> <li>• Improving on accessibility to maximize crop evacuation</li> <li>• expanding in field mechanized collection of FFB</li> <li>• constructing water bodies and water conservation pits to conserve moisture</li> <li>• reducing surface run off to prevent leaching of fertilisers</li> </ul>

### RSPO Certifications Systems for Principles & Criteria June 2017

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	HSP was committed towards getting the 100% RSPO certification. The target year for certification was initially set at 2019 was revised to 2020 (as in ACOP) as it was subjected to the remediation and compensation procedures which was still ongoing for Tabin and Northbank Estate. While for Pelipikan, the retrospective HCV assessment have been prepared 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-	Yes	There were no changes to the current time bound plan as verified during this audit.



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		<p>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);</p>																
<p>4.5.4 Requirements for uncertified management units:</p>	<p>(a)</p>	<p>No replacement of primary forest or any area required to maintain or 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>yes</p>	<p>The first internal assessment was conducted in 20 – 24 Feb 2018 for Northbank and Tabin Estate while 20<sup>th</sup> Feb 2018 for Pelipikan Estate. From the assessment, the status of the uncertified management unit was summarized as follows:</p> <p><u>Pelipikan Estate</u> Based on Retrospective HCV assessment made by certified HCV assessor (Green Harvest Sdn Bhd) there were no clearance of primary forest at Pelipikan Estate. However, there were land clearing made on May 2006, Sept 2010 and Feb 2011 where the clearing was made without the HCV assessment.</p> <table border="1" data-bbox="1207 778 2161 1158"> <thead> <tr> <th>Date</th> <th>Update</th> </tr> </thead> <tbody> <tr> <td>Apr 2016</td> <td>Submitted the Declaration of disclosure of non-compliant land clearance to the RSPO and proceed in preparing the LUCA.</td> </tr> <tr> <td>25 July 2017</td> <td>HSP has submitted the item 2a and 2b as per RSPO Land Use Change Analysis (LUCA) checklist to RSPO. The preparation of satellite data and calculation of conservation liability were ongoing. The satellite data consumed time to complete.</td> </tr> <tr> <td>30 July 2018</td> <td>HSP has submitted LUCA checklist item 2c, 2d, 2e, 2f, &amp; 2g to RSPO Compensation and has been reviewed by reviewer panel.</td> </tr> <tr> <td>27 Feb 2019</td> <td>RSPO reviewer provided the reply on LUCA status with comments and recommendations for outstanding issues.</td> </tr> <tr> <td>7 May 2019</td> <td>HSP had replied to the recommendation made by RSPO on the LUCA to the RSPO Compensation Department (PIC, Ms. Khing).</td> </tr> <tr> <td>10 June 2019</td> <td>RSPO had reviewed the LUCA report and replied with comment. There were still concerns highlighted by the LUCA reviewer.</td> </tr> </tbody> </table> <p><u>Northbank Estate and Tabin Estate</u> HCV Assessment at Northbank and Tabin Estate was conducted in 2013. Northbank and Tabin Estate were currently undergoing the Remediation and Compensation Procedure (RaCP) process. The required LUCA data was submitted and has passed the compensation panel process.</p>	Date	Update	Apr 2016	Submitted the Declaration of disclosure of non-compliant land clearance to the RSPO and proceed in preparing the LUCA.	25 July 2017	HSP has submitted the item 2a and 2b as per RSPO Land Use Change Analysis (LUCA) checklist to RSPO. The preparation of satellite data and calculation of conservation liability were ongoing. The satellite data consumed time to complete.	30 July 2018	HSP has submitted LUCA checklist item 2c, 2d, 2e, 2f, & 2g to RSPO Compensation and has been reviewed by reviewer panel.	27 Feb 2019	RSPO reviewer provided the reply on LUCA status with comments and recommendations for outstanding issues.	7 May 2019	HSP had replied to the recommendation made by RSPO on the LUCA to the RSPO Compensation Department (PIC, Ms. Khing).	10 June 2019	RSPO had reviewed the LUCA report and replied with comment. There were still concerns highlighted by the LUCA reviewer.
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				Date	Update
				21 June 2017	HSP submitted the Concept Note to RSPO via email (PIC. Mr. Dhillon). The Final Conservation Liability (FCL) was confirmed as 579.48 Ha. The amended concept note sent to the CEGP for approval. The revised concept notes with attachment (extended riparian reserve maps) submitted to RSPO Compensation for review.
				30 Oct 2018	RSPO Compensation replied and said that they will give feedback about the 3 <sup>rd</sup> revision concept note and Management has submit CN to RSPO. CN has been revised by panel reviewer.
				29 Apr 2019	Ms. Khing from RSPO has provided the feedback from Compensation panel reviewer. The CN was required further clarification in its content against the additional, long lasting and knowledge-based section.
				15 May 2019	4 <sup>th</sup> revision of the CN submitted to RSPO.
(b)	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;	Yes	<p>The latest internal assessment has been made on 20 – 24 Feb 2019 for Northbank and Tabin Estate while 20 Feb 2019 for Pelipikan Estate.</p> <p><u>Pelipikan Estate</u> Land conflict was resolved with the affected and relevant parties. Please refer Hap Seng Plantations 2015 Annual Report. Refer to HSP Annual Report Page 208-209, 36.d.</p> <p><u>Northbank and Tabin Estate</u> Land conflict are 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	Based on the latest internal assessment carried out in Feb 2019, 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	Based on the latest internal assessment carried out in Feb 2019, there was no issue on legal non-compliance for all uncertified unit.		

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	(e)	<p>The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) – (d) above by the audit team based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:</p>	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	Based on the latest internal assessment carried out in Feb 2019, the progress of the certification was concluded as non-compliance against 4.5.4. (a-d) on new planting requirement, HCV, legal compliance and labour disputes for Tabin, Northbank and Pelipikan Estate. With regards to the land disputes, the action to address the issues were on-going.
		<ul style="list-style-type: none"> <li>Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team.</li> </ul>	Yes	It was evident that in handling uncertified management unit, HSP Northbank Estate and Tabin Estate has conducted the Joint Consultation Committee (JCC) meeting on 23/05/2017 (for Northbank Estate and Tabin estate) and 11/04/2017 (for 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.
<p>4.6.4 The CB shall review whether oil palm operations have been established in areas which were previously owned by</p>		No additional indicators	NA	It has been verified that Jeroco Group of Estate (JGOE) 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.

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<p>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.</p>				
<p>Note:</p> <ol style="list-style-type: none"> <li>1. For requirements 4.5.4 (a)-(d) above, the definition of major and minor NC is stated in the RSPO P&amp;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;</li> <li>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.</li> </ol>				

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**Attachment 4**

**RSPO SUPPLY CHAIN: AUDIT CHECKLIST**

**SECTION A : GENERAL INFORMATION**

1. File Reference No.	:	: EH04760001
2. Name of facility/ site(s) /entity(ies)	:	: Jeroco Plantations Sdn. Bhd. Jeroco Palm Oil Mill 1
3. Site Location (single site/multisite/Group)	:	: Off KM 40, Jalan Jeroco, 91109 Lahad Datu, Sabah
4. SC model	:	: Identity Preserved
5. Type of entity	:	: Palm Oil Mill
6. RSPO Member Number	:	: 1-0098-11-000-00 (Hap Seng Plantations Holdings Bhd.)
7. Annual summary records of certified oil palm products purchased and claimed	:	: Actual for last year for period of July18 until June19 FFB: 269,301.26 CPO Projected: 67,642.07mt PK Projected: 15,662.38mt CPO Produce: 56,026.93 CPO Sell: 55,438.45 mt CPO Claim as Identity Preserved: 9,243.39 mt CPO Claim as Non-RSPO/other schemes: 46,195.06 mt PK Produce: 13,000.47 mt PK Sell: 12,968.17 mt PK Claim as Identity Preserved: 12,968.17 mt PK Claim as Non-RSPO: 0 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.	n/a
	<b>Audit Process Requirements – SURVEILLANCE AUDIT</b>	
5.3.26	The surveillance audit shall review whether the organizational	The organizational systems, the management systems and the operational systems,

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<p>systems, the management systems and the operational systems, including any documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.</p> <p>In cases where an organization seeking certification outsources activities to independent third parties, a risk assessment shall be done by the CB to determine whether an audit of the sub-contractor is required. If the outsourced contractor holds RSPO Supply Chain certification, then it does not require an additional audit.</p>	<p>including any documented policies and procedures of JPOM1 were sufficient and adequate in complying with latest revision of RSPO Supply Chain Certification Standard.</p>
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### SECTION B (ii): GENERAL CHAIN OF CUSTODY REQUIREMENTS FOR THE SUPPLY CHAIN

	Requirements	Remarks
<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.	Jeroco Palm Oil Mill 1 (JPOM1) 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.	Registered under Jeroco Plantations Sdn Bhd – Jeroco Palm Oil Mill 1
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.	JPOM1 obtained certified FFB from own certified supply base as listed below. JPOM1 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.	JPOM1 only apply IP model
<b>3</b>	<b>Documented procedures</b>	

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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:	-
a)	Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.	Jeroco 1 POM had used their documented procedure title ' <i>Standard operating procedures for Supply Chain SOP/COC/001</i> ', described the following: - Chapter 1: CSFFB, CSPO & CSPK traceability system – chain of custody - Chapter 2: Harvesting and Loading of Fresh Fruit Bunch - Chapter 3: Delivery and Reception of CSFFB, In- house and Non In- house FFB - Chapter 4: Dispatch of CSPO and CSPK from the mill to refinery/ bulk transit installation/ buyer's vessel - Chapter 5: Monitoring of CSPO and CSPK sales Appendix 1: Weighbridge Tickets and Delivery Notes RSPO (& ISCC) Stamping 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).	Complete as above.
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 <i>Standard operating procedures for Supply Chain SOP/COC/001</i> , the Mill Manager have overall responsibility and authority over the implementation of RSPO supply chain requirement in RSPO Jeroco 1 POM. Assisted by Sustainability Executive, relevant mill staff such as mill clerk, chief clerk, weigh bridge 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 title ' <i>Standard operating procedures for Supply Chain SOP/COC/001</i> there was a Flowchart for Internal Audit system indicating the process for memorandum for IA, appointment of team member, the IA review (overall audit process in general).
<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	Incoming Certified Sustainable FFB received and checked.

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	<p>available by the supplier in document form:</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 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>	
a)	The site shall have documentation that demonstrate that purchases are made to the material category agreed with their supplier (IP, SG or MB).	Jeroco 1 POM had continued received source of RSPO certified FFB from own group estate. Jeroco 1 POM has continued to implement and comply with the procedure in handling of purchasing and receiving as per RSPO standard requirements.
b)	The site ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcement and Shipping Confirmation on the RSPO IT platform on the level of each shipment	Jeroco 1 POM has registered in IT platform (Palm Trace) Company Name: Jeroco Plantations Sdn Bhd – Jeroco Palm Oil Mill 1
c)	A check of the validity of the Supply Chain Certification of suppliers for all sites that are SC certified. This shall be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements.	Internal supplier under same certification – valid certificate.
4.2	The site shall have a mechanism in place for handling non-conforming material and/or documents.	Mechanism for handling NCP available to avoid cross contamination.
<b>5</b>	<b>Outsourcing activities</b>	



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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>	Agreement available.
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>	Agreement available.
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 document form. Information must be complete and can be presented either on a single document or across a range of	The procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by Hap Seng Commodities Trading Department (HQ) on behalf of Jeroco 1 POM.

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	<p>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> <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>	
<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>	<p>The Sustainability Executive update the RSPO IT Platform based on input provided by JPOM1 and shipping department. JPOM 1 has legal ownership and physical handle RSPO certified sustainable CPO and PK.</p>
<b>8</b>	<b>Training</b>	
8.1	<p>The organization shall have a defined training plan, which is subject to on-going review and is supported by records of the training provided to staff.</p>	<p>Annual Training Program established. The training record was well maintained.</p>
8.2	<p>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system. Training shall be specific and relevant to the task(s) performed.</p>	<p>Last training conducted in Apr 2019 by Assistant Mill Manager. Training focus on relevant IP procedures and record. Attended by mill clerk, weighbridge clerk and lab assistant.</p>
<b>9</b>	<b>Record keeping</b>	
9.1	<p>The site shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these</p>	<p>The relevant record pertaining to RSPO SCCS within JPOM1 found to be updated accordingly and easily accessible during the audit.</p>

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	RSPO Supply Chain Certification requirements.	
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 JPOM1 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.	Available.
<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 has 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 (including applicable SC model and certificate no.) being correctly indicated in the relevant outgoing paperwork e.g. PK billing, CPO billing, JPOM1 weighbridge advice ticket and JPOM1 palm kernel/ CPO delivery note.
<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 available. 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	Management review planned once annually. Last conducted on 5 <sup>th</sup> June 2019

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	activities undertaken.	
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> <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>	Management review report, doc. no. HSP-SE-2018 rev. 2 Coverage sufficient, among item discussed during audit; <ul style="list-style-type: none"> <li>- follow up actions from earlier management review</li> <li>- sustainability &amp; adequacy of all SOP's</li> <li>- sustainable agriculture policy</li> <li>- result of internal audit</li> <li>- change in legal requirement of any compliance</li> <li>- compliant (internal &amp; external)</li> </ul>
13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes</li> <li>• Resource needs</li> </ul>	<ul style="list-style-type: none"> <li>- accident &amp; injury (LTA)</li> <li>- environmental quality</li> <li>- waste management</li> <li>- energy usage performance</li> <li>- status of corrective actions</li> <li>- recommendation for improvement</li> </ul> Management review meeting dated 5/6/19 (combine RSPO, RSPO SCCS and MSPO) <ul style="list-style-type: none"> <li>• Internal audit – 0 NCR</li> </ul> However, the management review was not sufficient due to not include: Input: <ul style="list-style-type: none"> <li>- Changes that could affect the management system</li> </ul> Output: <ul style="list-style-type: none"> <li>- Improvement of the effectiveness of the management system and its processes</li> <li>- Resource needs</li> </ul> <b>Thus Major NCR MZK 01 2019 was raised.</b>

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

	<b>Module D – CPO Mills: Identity Preserved</b>	
<b>D.3</b>	<b>Documented procedures</b>	
D.3.1	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>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>	Refer para 3.1 of this checklist.  The RSPO Supply Chain committee of JPOM1 was found to be aware and understand the new standard requirement as well as their own internal procedures in implementing the requirements.

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	This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	
D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBS.	JPOM1 only receive and process certified sustainable FFB from their own supply base as well as those of other estate under different certification unit. For receiving and processing of certified FFBS, JPOM1 refer to Chapter 3 of <i>Standard operating procedures for Supply Chain SOP/COC/001, issue 03, dated 23 August 2012 review on 31 May 2018</i> and their Mill Safe Standard Operating Procedures respectively.
<b>D.4</b>	<b>Purchasing and goods in</b>	
D.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBS received.	Available.
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	JPOM1 has request for volume extension to the CB on 17/6/2019 and had volume extension approved by RSPO through notification to CB dated 5/7/2019.
<b>D.5</b>	<b>Record keeping</b>	
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.	Record of RSPO certified and delivery of RSPO certified CPO and PK was established i.e. weighbridge daily report which indicate estate name, vehicle no., date & time enter in Jeroco 1 POM. While the weighbridge summary report also record buyer name, product name i.e.CPO or PK, vehicle no., date & time of delivery. Jeroco 1 POM also has maintained the monthly accounting system to record RSPO certified FFB and deliveries of RSPO certified CPO and PK. The Record titled are " <i>Mass Balance System for ISCC/RSPO JPOM</i> ".
<b>D.6</b>	<b>Processing</b>	
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified oil palm product including during transport and storage.	To ensure 100% segregation, JPOM1 did not receive non-certified outside crop. For external transport that they use for delivery of certified CPO and PK will be checked and clean if necessary prior to loading of the product. Record of cleanliness check being well maintained for reference.
	The objective is for 100 % segregated material to be reached.	

**Module E – CPO Mills: Mass Balance – Not Applicable**

**Annex 1 – Supply Chain Yield Schemes – Not Applicable**

**Annex 2 – Book & Claim (BC) – Not Applicable**

**Annex 3 – RSPO Rules on Communications and Claims**

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**Attachment 5**

**Details of Non-conformities and Corrective Actions Taken During Annual Surveillance Audit 1 (2019)**

<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>
2.1.1 NCR RAR 01 2019	Major	Findings: Recommendation made by OHD was not complied with. Objective evidence: Fail to conduct the recommendation made by OHD (after reviewing the annual and baseline audiograms on 15 & 18/01/2019) to conduct retest for 3 workers who have standard threshold level within three months from the last date of the audiometric.	2 workers were sent immediately for audiometric test on 3/7/2019. Another 1 worker has absconded.	Copy of the audio metric test for the remaining 2 workers were sent to the auditor through scan copy via email.  <b>Status Closed.</b>
6.5.3: NCR RZ 01 2019	Minor	Findings: Lungmanis Estate did not comply with the requirements of Section 10(3) of the Workers' Minimum Standards of Housing and Amenities Act 1990. Objective evidence: Toddlers placed at the Lungmanis Estate creche are not provided with milk and play equipment. This contravenes Section 10(3) of the Workers' Minimum Standards of Housing and Amenities Act 1990 which requires that on each day a dependant is accommodated at the nursery, he shall be provided by the employer at his own expense with a supply of milk in sufficient quantity and of good quality, and play equipment.	Lungmanis Estate had immediately provided the milk and play equipment (Attachment 1.2) to crèche as per Minimum Standard of Housing and Amenities Act 1990. Lungmanis Estate Housing Inspection Team will conduct inspection at monthly basis to ensure the milk and play equipment are provided to crèche as per Minimum Standard of Housing and Amenities Act 1990.	Corrective action plan accepted. Copy of the photograph that the management provided the milk at crèche has been sent to the auditor for verification.  <b>Status: Closed.</b>
Clause 6.13 NCR MZK 01 2019	Major	Findings: Management Review has been conducted but not enough to cover the input and output as stated in the indicator. Objective evidence: These were not available: <u>Input:</u> Changes that could affect the management system <u>Output:</u> Improvement of the effectiveness of the management system and its processes. Resource needs.	The management has immediately revised the SOP of Management Review to include the details as per RSPO P&C Clause 5.13.2 and 5.13.3 (Attachment 1.1).	Copy of the SOP of Management Review has been forwarded to the auditor. The SOP has included the details as per RSPO P&C Clause 5.13.2 and 5.13.3.  <b>Status: Closed</b>

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**Attachment 6**

**Details of Non-conformities and Corrective Actions Taken During Recertification Audit (2018)**

<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>
Indicator 2.1.2 MAR01/2018	Minor	<p><b>Finding:</b> A documented system was not including “The Employment Insurance System Act 2017” in legal register.</p> <p><b>Objective evidence:</b> Legal register in Jeroco 1 POM, Batangan, Lokan, Lungmanis and Lutong Estate was not updated and include “The Employment Insurance System Act 2017”.</p>	<p>The applicable regulation has been immediately updated and included into LRR.</p> <p>Review of the list of applicable regulation will be carried out every January of the year with the Personnel and Administration Department.</p>	<p>List of Legal Register includes The Employment Insurance System Act 2017, reviewed on 30<sup>th</sup> July 2018 was verified.</p> <p>Status: Closed</p>
Indicator 4.7.3 MAR02/2018	Major	<p><b>Finding:</b> Adequate and appropriate protective equipment not available to a few workers at the place of work i.e. harvesting.</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. Site visit observed on 25/7/2018 at Block 9806 Lokan Estate found that 6 cutters did not wear appropriate PPE i.e. goggle.</li> <li>2. Site visit observed on 27/7/2018 at Block 28 Lutong Estate found that 1 cutter did not wear appropriate PPE i.e. goggle and hard hat.</li> </ol>	<p>Immediately conduct awareness training on wearing personal protective equipment (PPE) among harvester (cutter) worker.</p> <p>In addition to the yearly PPE awareness training among harvester worker and daily supervision by estate personnel (mandore and field conductor), monthly inspection by independent RSPO Officer (based in operating unit) was added starting August '18 ensure all harvester worker wearing all the required PPE during harvesting activity.</p>	<p>Evidences on special training awareness or briefing to affected workers was conducted on 26 and 28 July 2018 for Lokan and Lutong Estates was verified respectively.</p> <p>Status: Closed</p>

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**Attachment 7**

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

No.	CU	Location	Date of Certification	Valid until	CAB & Certificate No.
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 14016 (RSPO certificate has been included in Bukit Mas Palm Oil Mill supply chain)
6	Pelipikan Estate	Kota Marudu	2022 (as per ACOP 2018)	-	-
7.	Hap Seng Plantations (River Estates) Sdn Bhd - Tomanggong Group Of Estates – North Bank Estate and Tabin Estate	Lahad Datu	2022 (as per ACOP 2018)	-	-