


RSPO PUBLIC SUMMARY REPORT

	SIRIM QAS INTERNATIONAL SDN. BHD. Building 4, SIRIM Complex, No. 1 ,Persiaran Dato' Menteri, Section 2, 40700 Shah Alam, Selangor, Malaysia.	File Ref. : ES24120001
	RSPO STAGE 2 PUBLIC SUMMARY REPORT	

CLIENT : Harus Abadi Sdn Bhd

PARENT COMPANY : Harus Abadi Sdn Bhd

RSPO MEMBERSHIP No.: 1-0280-19-000-00

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	
Harus Abadi Sdn. Bhd	Harus Abadi Sdn. Bhd	5° 26' 24" N	118° 32' 24" E	MDLD 0763, Block C, Ming Huat Light Industry, Mile 1, Dam Road, 91100 Lahad Datu, Sabah

MAP : See Attachment 1

AUDIT DATE : 1st – 4th October 2019

DURATION : 10 auditor days

TYPE OF AUDIT : Stage 2 Audit

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014

SCOPE OF CERTIFICATION: Production of Sustainable Fresh Fruit Bunches

VALIDITY OF RSPO CERTIFICATE : 16th March 2020 – 15th March 2025

The following attachments form part of this report:

Non-conformity Report(s)

List of additional site(s)

Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : MOHD ZULFAKAR KAMARUZAMAN

Name : TEY YU LAI

Signature : 

Signature : 

Date : 2/03/2020

Date : 19/02/2020

RSPO PUBLIC SUMMARY REPORT

Stage 2 audit				
On-site audit date :	1 st – 4 th October 2019	No. of auditor days:	10 auditor days	
Audit team :	Mohd Zulfakar Kamaruzaman (LA), Rozaimée Ab Rahman , Mahzan B Munap			
No. of major NCR :	3	Indicator: RSPO P&C (4.6.11, 6.5.2, 6.9.1),	Closing date: 24/02/2020	
No. of minor NCR :	1	Indicator: RSPO P&C (6.5.3)		
Indicate the stakeholders interviewed during the on-site audit :	Employees / Workers organizations	Settlers	Villagers / Local communities	Suppliers
	√	-	√	√
	Contract workers	Local & National NGOs	Govt. agency / Statutory bodies	Independent growers / Smallholders
	-	-	-	-
	Indigenous people	Contractor	Others (Please specify)	
	-	-	-	
Supply base sampled :	Harus Abadi and First Raintree (Division)			
Justification of audit planning :	During stage 2 audit, the audit team visited the estate, linesite, chemical stores, schedule waste store, and other surrounding facilities such as waste collection area. In addition to the above, interviews were held with the management, employees and other relevant internal and external stakeholders.			
Report approved by :	Kamini A/P M.Sooriamoorthy	Approval date: 16/03/2020		

SUMMARY OF INFORMATION

	STAGE 2
Projection Period	October 2019 to September 2020
FFB Production (MT)	10,310.00
Certified volume CSPO (MT)	2,062.00
Certified volume CSPK (MT)	515.00
Certified Areas (Ha)	566.89
Planted Areas (Ha) (<i>Mature + Immature area</i>)	564.67
Production Areas (Ha) (<i>Mature area only</i>)	564.67
HCV Areas (Ha)	0.0015
REMARKS	-

Table of contents	Page
1.0 AUDIT PROCESS	4
1.1 Certification body	4
1.2 Qualification of audit team	4
1.3 Audit methodology	5
1.4 Stakeholder consultation	5
1.5 Audit plan	6
1.6 Date of next audit	6
2.0 SCOPE OF CERTIFICATION AUDIT	7
2.1 Description of the certification unit	7
2.2 Description of the Supply Base (including planting profile)	7
2.3 Organization Information / Contact Person(s)	7
3.0 AUDIT FINDINGS	7
3.1 Changes to products in accordance to the production of the previous year	7
3.2 Time bound plans including changes and reasons for the changes	7
3.3. Other changes (e.g. organizational structure, new contact person, addresses, etc.)	8
3.4 Complaint received from stakeholder (if any)	8
4.0 DETAILS OF NON-CONFORMITY REPORT	8
4.1 For P&C (Details checklist refer to Attachment 3)	8
5.0 AUDIT CONCLUSION	8
6.0 RECOMMENDATION	9
List of Attachment	
Attachment 1 : Map of Harus Abadi CU	10
Attachment 2 : RSPO Stage 2 Audit Plan	11
Attachment 3 : RSPO P&C Audit Checklist And Findings	17
Attachment 4 : Details of Non-conformities and Corrective Actions Taken	46

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

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mohd Zulfakar Kamaruzaman	Lead Auditor Social and HCV	Holds B.Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operations. He has been trained as a RSPO P&C and SC Lead Auditor.
Mahzan B Munap	Auditor Occupational Safety & Health and Environment	Possessed B.S (Petroleum Engineering) and M.B.A. Had more than 38 years of working experience spanning the Engineering Technical ladder as well as Operation and Management ladder. Experience in plant design, construction and commissioning; factory manufacturing operations and management and through these assignments had indirect responsibility for Safety, Health, Environmental and Quality. He is Lead Auditor for ISO 14001, ISO 45001, RSPO P&C and MSPO P&C.
Rozaimiee Ab Rahman	Auditor Good Agriculture Practice, Environment, GHG	Holds a B.Sc. of Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm operation. He has been trained as a RSPO P&C and SC Lead Auditor.

RSPO PUBLIC SUMMARY REPORT

1.3 Audit methodology

The audit covers Harus Abadi Sdn Bhd (HASB). In this assessment of an outgrower, two parcels of land size of 324.70 ha (HASB, Main division) and 242.19 ha (First Raintree, a division) has been audited. The standard sampling formula of 0.8√y does not apply. The audit included an on-site audit at the main office and estate at HASB Estate, First Raintree Division and its line site to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the RSPO and SIRIM QAS International's websites in 23/08/2019. This was then followed by sending letters to relevant stakeholders requesting for input regarding the company – Harus Abadi Sdn. Bhd. There were no comments received during this process. Among the stakeholders consulted included Department of Environment (Lahad Datu), Department of Occupational and Safety Health, (Lahad Datu), Kota Lahad Datu Police Station, Lahad Datu Fire Department, Department of Labour Lahad Datu, SOCSO Lahad Datu, Sabah Environmental Protection Association, Kota Kinabalu, Environmental Protection Department, Kota Kinabalu. During the on-site audit, the audit team had also consulted the workers' representative and field workers.

Stakeholder consultation was carried out during the on-site audit and the evidence from the stakeholder consultation carried out were as tabulated below: In general, there was no negative comments made against this Certification Unit.

Stakeholders interviewed	Evidence from stakeholder consultation
1) Employees / Workers Organizations (including migrant workers)	<ul style="list-style-type: none"> ▪ Interviewed workers constituted local and foreign, male and female, daily paid, monthly paid and piece rated at estate. They include Harus Abadi Plantation workers. ▪ All workers interviewed acknowledged they have signed employment agreements with the estates. The contents of agreement were understood, as these were prepared in English/Bahasa. The contents were explained to them in Bahasa by the management team. ▪ Pre-induction briefing on conditions and terms of employment was explained to them during first reporting of duty ▪ They are aware of their working hours (8 hours). They also acknowledged being paid overtime for any work in excess of 8 hours. There is no forced overtime. Harvesters were paid piece-rated and do not get overtime. They prefer to have their salaries calculated on piece-rate basis even after 8 hours of work as it allows them to be paid higher. Sprayers understood that they are paid daily rate. ▪ They have been getting salaries above RM1,100 since Jan 2019. Salaries are paid before the 7th of every month. ▪ Through worker's interview, they confirmed there are no abuse at work, and no sexual harassment. They understand what constitutes sexual harassment and the function of Gender Committee. ▪ There is no discrimination between migrant workers and local workers, between male and female workers. ▪ Workers are provided with comfortable housing with free water and electricity. Local workers choose to stay in their houses in the nearby villages. ▪ They have access to affordable food from close by Litang Estate canteen/sundry shops. Harus Abadi has made arrangement with Hap Seng Plantation Management to allow it workers have access at this canteen/sundry shops.

RSPO PUBLIC SUMMARY REPORT

Stakeholders interviewed	Evidence from stakeholder consultation
	<ul style="list-style-type: none"> ▪ They are entitled to free medical facilities at the Hap Seng Estate clinic. Harus Abadi has made arrangement with Hap Seng Plantation Management to debit it for treatment received by its workers. ▪ Workers had representatives who attend regular meetings with the management (in the JCC). ▪ Workers confirmed knowledge of Grievance complaints procedure, where they can put forward any complaints and or raise any issues. They are aware of the complaints form in the procedure. Books and complaints forms were used to complain about house defects at the Estates. ▪ They knew the types of work offered at Harus Abadi estate when they were still in their own countries (no contract substitution). ▪ All migrant workers confirmed that they keep their own passports although some allowed their passport to be kept in the office for safekeeping with their own consent.
2) Settlers	Not applicable.
3) Villagers / Local communities (including women representatives, displaced communities)	<ul style="list-style-type: none"> ▪ Confirmed there is no land dispute between Harus Abadi CU and neighbouring estates. ▪ No social issues arising from estate workers. ▪ Occassionally are called to attend meetings by Harus Abadi Estate. The last one was held few months ago. ▪ All stakeholders were invited to attend RSPO/MSPO briefings and stakeholder meetings.
4) Suppliers	<ul style="list-style-type: none"> ▪ Suppliers of crusher runs is from Hap Seng Plantation nearby. Its been a while since last purchase. ▪ Being small, Harus Abadi usually buy chemicals, PPE and other estates tools in Lahad Datu town themselves. ▪ Fair dealings with Hap Seng and traders in Lahad Datu. ▪ Payments are made within 1 months of invoice.
5) Contract workers	Not applicable as none being used.
6) Local & national NGOs	Not applicable.
7) Government agencies / Statutory bodies	None at site.
8) Independent growers / Smallholders	Not applicable.
9) Indigenous people	Not applicable.
10) Contractor	Not applicable as none used.
11) Previous land owner (if any)	Not applicable.
12) Others (please specify)	None
1.5	Audit plan : Refer to Attachment 2
1.6	Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit.

RSPO PUBLIC SUMMARY AUDIT REPORT

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

Established in 1994 Harus Abadi Sdn Bhd is a private company located in the district of Kinabatangan. The plantation started planting Oil Palm trees in year 2002. Harus Abadi Sdn Bhd is located about 87 km from Lahad Datu town, 66 km from Kampung Paris and can be assessed through the government road, estate road and ferry. All of its crop are sent to the Tomanggong POM and Jeroco 2 POM (owned by Hap Seng).

The estate is fully developed with 100% oil palm planting. It began planting oil palm in year 1994. Hence, Principle 7 of the RSPO P&C is therefore not applicable.

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

Division	Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area(ha)	Percentage of planted area (%)
Harus Abadi (8 blocks)	1994	1 st	Mature	323.21	57.24
First Rain Tree (7 blocks)	1999	1 st	Mature	241.46	42.76
Total				564.67	100.00

2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

Name	:	Mr. Tey You Lai
Position	:	Assistant General Manager
Address	:	MDLD 9075, Bungalow Lot 1, I-Peak Business, 91100 Lahad Datu, Sabah
Phone no.	:	016-928 8150
Fax no.	:	-
Email	:	youlai91@gmail.com

3.0 AUDIT FINDINGS

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

This Stage 2 Audit in 2019 is the initial audit performed at this Certification Unit.

3.2 Progress and changes in time bound plan – Not applicable as Harus Abadi does not have any other estates

i. Have all the estates under the parent company been certified? NA Yes No

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

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

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

RSPO PUBLIC SUMMARY AUDIT REPORT

- iii. Are there associated smallholders (including scheme smallholders) in the CU - NA Yes No
- If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification? NA 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.)

None at the time of audit.

3.4 Complaint received from stakeholder (if any)

None.

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 – MZK02/2019 (6.5.3)

Total no. of major NCR(s) (details refer to Attachment 4) List : 3 – MM01/2019 (4.6.11), MZK01/2019 (6.5.2), MZK03/2019 (6.9.1)

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

Total no. of minor NCR(s) (details refer to Attachment 4) List : Not Applicable

Total no. of major NCR(s) (details refer to Attachment 4) List : Not Applicable

5.0 AUDIT CONCLUSION

The audit team concludes that the organization has established and maintained its management system in line with the RSPO MYNI:2014 P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

Although lapses were noted during the audit Harus Abadi Sdn. Bhd. is committed to take corrective action. Evidence(s) of response were sent via email to the Lead Auditor within the stipulated timeline given.

RSPO PUBLIC SUMMARY AUDIT REPORT

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.

**7.0 It is confirmed that all corrective actions taken have been satisfactorily verified.
Recommended for certification.**

Audit Team Leader :	MOHD ZULFAKAR KAMARUZAMAN		24/02/2020
	_____	_____	_____
	(Name)	(Signature)	(Date)

Maps of Harus Abadi Sdn. Bhd.

Main Div Map



First Rain Tree Division Map



**SIRIM QAS INTERNATIONAL SDN BHD
RSPO P&C MYNI:2014 STAGE 2 AUDIT PLAN**

1. Objectives

The objectives of the assessment are as follows:

- (i) To evaluate **Harus Abadi Sdn Bhd** continued conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (ii) To verify the effective implementation of issue of concerns arising from the stage 1 assessment.
- (iii) To make appropriate recommendations based on the assessment findings.

2. Date of assessment : 1-4 October 2019

3. Site of assessment : Harus Abadi Sdn Bhd
First Raintree (Division)

4. Scope of Certification : Production of sustainable Fresh Fruit Bunch

5. Reference Standard :

- a. RSPO P&C MYNI: 2014
- b. Company's audit criteria including Company's Manual/Procedures

6. Assessment Team

Assessor: Mohd Zulfakar Kamaruzaman (LA)
Mahzan Munap
Mohd Ab Raouf Asis
Dzulfiqar Azmi
Selvasingam T Kandiah

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

7. Audit Method

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

8. Audit Findings

Audit findings shall be classified as major and/or minor.

9. Confidentiality Requirements

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

10. Conflict of interest

Auditors have not been employed by the organization concerned nor provided consultancy services relating to the development of its system in the past five years and next five years.

11. Working Language : English and Bahasa Malaysia

RSPO PUBLIC SUMMARY AUDIT REPORT

12. Reporting

- a) Language : English
- b) Format : Verbal and written
- c) Distribution list : Client file

13. Facilities Required

- a. Room for discussion
- b. Relevant document and record
- c. Personnel protective equipment if required
- d. Photocopy facilities
- e. A guide for each group

13. Assessment Programme Details : As shown below

RSPO PUBLIC SUMMARY AUDIT REPORT

Day 1: 1/10/19 (Tuesday)				
Time	Activities / areas to be visited			
8.30 – 9.00 am	<p><u>Opening meeting at Harus Abadi Estate</u> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organization Representative to brief on the following :</p> <ol style="list-style-type: none"> 1) Briefing on Harus Abadi Estate organization’s background, operations, RSPO implementation & legal non compliances such as land / labour dispute - if any (Please provide maps that have details of surrounding stakeholders, terrain, soil profile and conservation/HCV area). 2) Time bound plan for Harus Abadi Sdn. Bhd. (if Any) Significant changes on organization activities, machinery, supply bases capacity etc. 			Top mgmt & Committee Member
	Harus Abadi Estate Mahzan	Harus Abadi Estate Rozaimiee	Harus Abadi Estate Zulfakar	
9:00 – 1:00 pm	Coverage of assessment: P1, P2, P4, P7, P8 - Laws and regulations - Safety Plan, HIRARC - Environmental Impact Assessment - Environmental Plan - GHG, Pollution Plan - Occupational safety & health practice – witness activities at site - Interview with workers , safety committee and contractors - Facilities at workplace • Training and skill development programmes • Continuous improvement	Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 - Laws and regulations - Commitment to long-term economic and financial viability - Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) - EFB mulching, POME application - Plantation on hilly/swampy area - IPM implementation, training and safe use of agro-chemicals. - New planting - Time Bound Plan and Uncertified Management units - Facilities at workplace - Continuous improvement	Coverage of assessment: P1, P2, P5, P6, P7, P8 • Laws and regulations • Land titles user rights • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • HCV Assesment, Biodiversity Area, RTE Species • Social Impact Assessment (SIA), management plan & implementation • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Complaints and grievances • Consultation with relevant government agencies • Training and skill development programmes • Continuous improvement	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

RSPO PUBLIC SUMMARY AUDIT REPORT

Day 2: 2/10/19 (Wednesday)				
Activities /areas to be visited	First Rain Tree Division Mahzan	First Rain Tree Division Rozaimée	First Rain Tree Division Zulfakar	
8.00 – 1.00 pm	Coverage of assessment: P1, P2, P4, P7, P8 - Laws and regulations - Safety Plan, HIRARC - Environmental Impact Assessment - Environmental Plan - GHG, Pollution Plan - Occupational safety & health practice – witness activities at site - Interview with workers , safety committee and contractors - Facilities at workplace • Training and skill development programmes • Continuous improvement	Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 - Laws and regulations - Commitment to long-term economic and financial viability - Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) - EFB mulching, POME application - Plantation on hilly/swampy area - IPM implementation, training and safe use of agro-chemicals. - New planting - Time Bound Plan and Uncertified Management units - Facilities at workplace - Continuous improvement	Coverage of assessment: P1, P2, P5, P6, P7, P8 • Laws and regulations • Land titles user rights • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • HCV Assesment, Biodiversity Area, RTE Species • Social Impact Assessment (SIA), management plan & implementation • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Complaints and grievances • Consultation with relevant government agencies • Training and skill development programmes • Continuous improvement	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

RSPO PUBLIC SUMMARY AUDIT REPORT

Day 3: 3/10/19 (Thursday)				
Activities /areas to be visited	Harus Abadi Estate Mahzan	Harus Abadi Estate Rozaimie	Harus Abadi Estate Zulfakar	
8.00 – 1.00 pm	Coverage of assessment: P1, P2, P4, P7, P8 - Laws and regulations - Safety Plan, HIRARC - Environmental Impact Assessment - Environmental Plan - GHG, Pollution Plan - Occupational safety & health practice – witness activities at site - Interview with workers , safety committee and contractors - Facilities at workplace • Training and skill development programmes • Continuous improvement	Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 - Laws and regulations - Commitment to long-term economic and financial viability - Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) - EFB mulching, POME application - Plantation on hilly/swampy area - IPM implementation, training and safe use of agro-chemicals. - New planting - Time Bound Plan and Uncertified Management units - Facilities at workplace - Continuous improvement	Coverage of assessment: P1, P2, P5, P6, P7, P8 • Laws and regulations • Land titles user rights • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • HCV Assesment, Biodiversity Area, RTE Species • Social Impact Assessment (SIA), management plan & implementation • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Complaints and grievances • Consultation with relevant government agencies • Training and skill development programmes • Continuous improvement	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

RSPO PUBLIC SUMMARY AUDIT REPORT

Day 4: 4/10/19 (Friday)

Activities /areas to be visited	Mahzan	Rozaimiee	Zulfakar	
8.00 – 11.00 am	<ul style="list-style-type: none"> • Continue assessment on unfinished area • Verification on outstanding issues • Audit Team discussion, preparation on audit findings and issuance of NCR (if any) 			
10.00 – 1.00 pm	<ul style="list-style-type: none"> • Closing meeting 			<p align="center">Top management & Committee member</p>

RSPO PUBLIC SUMMARY AUDIT REPORT

Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Minor compliance	Yes	Harus Abadi Sdn Bhd has established and implemented document for responding to any communication in the Procedure Request for Information. Information made available include matters on environmental, social and/or legal that are relevant to RSPO Criteria.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	Yes	A Log book titled Summary Information Requested 2019 was seen maintained as means and evidence of recording information requested by any stakeholders, either internal or external.
C 1.2 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	There was no restriction noted to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of such information would result in negative environmental or social outcomes. There was no change in the land ownership / user right. Copies of land titles, which indicate the use right were reviewed. Original copies of land title maintained kept in Head Office.
		Occupational health and safety plans;	Yes	The 2019 Occupational Safety and Health Plan (by month) had been established. Please refer to indicator 4.7.1 for details.
		Plans and impact assessments relating to environmental and social impacts;	Yes	Management documents related to environmental and social plans and impacts assessments were made available to auditors. They include Management Action Plans And Continuous Improvement Plans
		HCV documentation summary;	Yes	HCV documentation maintained available.
		Pollution prevention and reduction plans;	Yes	The pollution prevention and reduction plans had also been documented in Harus Abadi Management Action Plans and Continuous Improvement Plans.
Details of complaints and grievances;	Yes	Harus Abadi Sdn Bhd has SOP for complaints and grievance namely, 'Procedure for reporting complaints and grievances (Prosedur Melapor Aduan dan Permasalahan)' and		

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
				'Carta alir mekanisma aduan dan masalah (pihak berkepentingan luaran dan dalaman) and also company has developed procedure named " Mekanisme Melindungi Pengadu Terhadap Tatacara tidak Wajar (Whistleblower)".
		Negotiation procedures	Yes	The negotiation procedure titled 'SOP – Land Dispute Management' has been established. It included negotiation process and should there be any issue related to compensation, the procedure for calculating and distributing fair compensation would be carried out at the company level.
		Continual improvement plans	Yes	With respect to Continual Improvement Harus Abadi Sdn Bhd has established its: <ul style="list-style-type: none"> a) Social Impact Assessment Management Action Plans and Continuous Improvement Plans document. b) Environmental Impact Assessment Management Action Plans and Continuous Improvement Plans that include pollution prevention of domestic wastes, scheduled wastes, spent oil, chemical and diesel usage and prevention of smoke strategies in replanting programme. c) Commitment to comply with applicable state and national laws such conduct a Chemical Health Risk Assessment (CHRA).
		Public summary of certification assessment report;		Not Applicable as this is main assessment.
		Human Rights Policy	Yes	A policy to respect human rights has been established by Harus Abadi Sdn Bhd. The policy was made available at the estate's office.
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	Yes	Harus Abadi Sdn Bhd has documented policy to committing on integrity for all their staffs and workers by publishing a policy 'Code of Conduct and Business Ethics Policy'. The CU has communicated the policy for new staffs and foreign workers during induction course. Sighted, briefing training regarding code of conduct at Estate has been briefed.

RSPO PUBLIC SUMMARY AUDIT REPORT

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	Yes	Harus Abadi continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation was captured in a Legal Register and monitored by the Assistant General Manager.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	Yes	CU have identified and documented their legal register with written information on legal requirements applicable to their operation. The record titled " <i>List of legal register – Estate</i> " Head Office, and estate manager is responsible to track changes in the law and the information was disseminated to all of its estates. The acts and its regulations were evaluated for compliance annually.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	Yes	A mechanism to ensure compliance to legal and other requirement has been documented in "Mechanism for Tracking Any Changes In The Law" under Standard Operation Manual distributed to all operating units. Head Office and Estate Manager will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	Yes	Head Office and Estate manager is responsible for tracking any changes to the Acts and 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 the CU can be demonstrated and not disputed by any party. Evidence of legal ownership of the land including history of land tenure was verified during this audit. The land was previous owned by Sabah Land Development.
	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	During the site review, the physical markers were visibly maintained at Harus Abadi Estate and First Rain Tree Division.
	2.2.3	Where there are or have been disputes, additional proof of	Yes	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Harus Abadi Sdn Bhd since 1989. The audit team had confirmed that there were no land issues related to previous owners.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
		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		The audit team has also interviewed relevant stakeholder such as the IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder. From the interviews, it can be concluded that there was no evidence of any land dispute at Harus Abadi.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance	Yes	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Harus Abadi Sdn Bhd since 1989. Hence, there is no land conflict anticipated and no need for acceptable conflict resolution processes.
	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 (including neighbouring communities and relevant authorities where applicable). Minor Compliance	Yes	As reported in 2.2.1, it has been verified that there is no conflict or dispute over the land.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	Yes	As reported in 2.2.1 of this checklist, it has been verified that the land is owned by Harus Abadi Sdn Bhd since 1989. Hence, there was no land conflict anticipated nor the need to avoid escalation of conflict is required.
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior, and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights shall be developed through participatory mapping involving affected parties (incl. neighbouring communities	Yes	As reported in 2.2.1 of this checklist, Harus Abadi has been developed since 1989, after it was bought from the previous land owner; Sabah Land Development.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
		where applicable, and relevant authorities). Major Compliance		
	2.3.2	Copies of negotiated agreements detailing the process of FPIC shall be available and shall include:	Yes	As reported in 2.2.1 of this checklist, Harus Abadi has been developed since 1989, after it was bought from the previous land owner; Sabah Land Development. Based on the audit findings, copies of negotiated agreements on FPIC and other evidences required by these indicators a) to c) were not applicable.
	a)	Evidence that a plan has been developed through consultation and discussion with all affected Estates in the communities, and that information has been provided to all affected Estates, including information on the steps that shall be taken to involve them in decision-making;	Yes	
	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;	Yes	
	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	Yes	
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of	Yes	As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator does not apply to Harus Abadi.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
		impacts, proposed benefit sharing, and legal arrangements. Minor Compliance		
	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	Yes	As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator does not apply to Harus Abadi.

RSPO PUBLIC SUMMARY AUDIT REPORT

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

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (min. 3 years) shall be documented. That includes, where appropriate, a business case for scheme smallholders. Major Compliance	Yes	CU continued to achieve long term economic and financial viability through documented management plan projected to year 2022.
	3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, shall be available. Minor Compliance	Yes	The replanting programme for the year 2019 until 2023 were sighted for both estates. This programmes are reviewed once a year and had been incorporated into their annual financial budget.

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	For the Harus Abadi, technical guidelines such as the “Code of Good Agricultural Practice For Oil Palm Estate and Smallholdings” from MPOB were also referred. Contents of the manual were disseminated to the workers through morning roll call and trainings. The manual was kept in the administration office for reference.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	Yes	Sustainability Team also conduct a RSPO/MSPO internal audit in May 2018
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Yes	Records of monitoring and actions taken by the CU continued to be maintained. This is to ensure that the established procedures were consistently implemented.
	4.1.4	The mill shall record the origins of all third-party sourced FFB. Major Compliance	NA	Not applicable. There were no mill including in this certification process
C 4.2 Practices maintain soil fertility at or, where possible,	4.2.1	There shall be evidence that good agriculture practices, as contained in SOPs, are followed to manage soil	Yes	Both Estates (HA and FRT div) practiced 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).

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators	Comply Yes/No	Findings
improve oil fertility to a level that ensures optimal and sustained yield.	fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance		
	4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance	Yes	Both Estates (HA and FRT div) continued to monitor their fertilizer inputs as recommended by their agronomist, from Hap Seng Plantations Holdings Berhad who visited both estates during the annual foliar sampling done in June 2019. Fertiliser application program was monitored using records like manuring program, program sheets, bin cards, field cost book. Records of programs and applications of fertilisers were made available to auditors.
	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 were carried out in CU to monitor changes in nutrient status and its results formed the basis for the fertilizers input recommendation. The soil analysis provided the indication of soil health and monitor the changes in the organic carbon and total nitrogen.
	4.2.4 A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues. Minor Compliance	Yes	Both Estates (HA and FRT div) practiced 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).
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	During the field visit and the soil map provided it was observed that no fragile or marginal soils found in CU. First Raintree & Harus Abadi soil series – Kretam Series.
	4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	Yes	Both Estates (HA and FRT div) had a management strategy for planting on slopes to minimise and control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by its manual (HAAM- no.5- Harus Abadi Agriculture Manual), which was posted on the Estates notice board.
	4.3.3 A road maintenance programme shall be in place. Minor Compliance	Yes	Both Estates (HA and FRT div) continued to maintain its road, according to the road maintenance programmes. The programs had been supported by adequate provisions in the budgets. During the field visit, it was noted road conditions was well maintained in both division.
	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 soils were found during the field visit in CU. This has been confirmed with the estate mapping.
	4.3.5 Drainability assessments where necessary will be	Yes	No peat soils were found during the field visit in CU.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators	Comply Yes/No	Findings
	conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance		
	4.3.6 A management strategy shall be in place for other fragile and problem soils. Minor Compliance	Yes	There were no fragile and problem soils in CU
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	The Water Management plan was updated in Jan 2019. It included the water used for daily operation. The WTP also includes the domestic water use with the after effect of water use to the surrounding environment.
	4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance	Yes	First Rain Tree Division had not used nor sprayed pesticides in its oil palm plantation since November 2018. On the other hand, Harus Abadi Main Division had begun to reduce use of pesticides since August 2019.
	4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations. Minor Compliance	N/A	Not applicable since this is Smallholder Growers.
	4.4.4 Mill water use per tonne of Fresh Fruit Bunches shall be monitored. Minor Compliance	N/A	Not applicable since this is Smallholder Growers.
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	CU continued to implement Integrated Pest Management (IPM) in both division and continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques guided by the Good Agricultural Practice for Oil Palm Estates and Smallholdings and Integrated Pest Management.
	4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	Yes	Training related to IPM implementation as per the SOP - Integrated Pest Management – conducted by Assistant General Managers. Training was conducted in Sept 2019. Records of training were available for verification.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
<p>C 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>	4.6.1	<p>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</p>	Yes	<p>The implementation of IPM programme for year 2019 has been carried by planting beneficial plant such as tunera subulata, cassia cabenensis and antigonan along the main road. Sighted a record of new planting has been implement on along of the main road at both divisions. Generally, both divisions had well established soft vegetation in the inter rows of mature palm. Palms were well pruned and cut fronds stacked as per SOP.</p>
	4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) shall be provided. Major Compliance</p>	Yes	<p>CU continued to use agrochemicals based on its Agricultural Reference Manual (ARM) Section 15 and 16, SSOP and in the Pictorial Safety Standard Book (PSS) where written justifications had been provided for various fields operations. The Manual has included a chemical register list which indicates the use of selective products that are specific to the targeted pest, weed or disease. The procedures also covered the use of PPE when handling the chemicals. The estates continued to use pesticides as per the SOPs.</p>
	4.6.3	<p>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 industry's Best Practice. Major Compliance</p>	Yes	<p>CU had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications per ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, cost books. Records of pesticides used were available for verification.</p>
	4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those</p>	Yes	<p>CU were committed to minimise the usage of agrochemicals by implementing IPM with the increased in the planting of beneficial plants such as <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>. Blanket spraying was not practiced anymore by this CU and soft grasses maintained in the field. It had also been the practice that insecticides are used only after a threshold level has been exceeded as per the SSOP – Chemical Spraying and SOP - Integrated Pest Management stated that no prophylactic use of such pesticides would be permitted.</p>

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators	Comply Yes/No	Findings
	officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance		
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers. Major Compliance	Yes	Records showed that pesticides were handled, used and applied by trained persons and as per the MSDS/CSDS of the pesticide. The staff and workers such as the storekeepers, sprayers and fertilizer were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS training. It was also noted that MSDS are available at all sites during the audit. Training on pesticide handling and spraying technique was carried out in Dec 2019 conducted by General Manager.
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. 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 used were maintained. All of the stores was in good natural ventilation no odor of chemical detected during site visits and the door was secured and keys held by only the store keeper and attendant. Only authorized personnel are allowed to handle the chemicals. All chemicals were segregated and fertilisers were well stacked. Relevant MSDS/CSDS were available in the stores. 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 the company's SOPs such as SSOP – Chemical Spraying and SOP - Integrated Pest Management. The chemicals used in the Company's estates are the common chemicals used and established in the palm oil industry. Proper PPE and tools were provided to ensure that the application of pesticides were carried out appropriately and thus minimise risks and impact to health and safety.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
	4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	Yes	Aerial application of agrochemicals was not practiced in CU.
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide-handling shall be demonstrated or made available. Minor Compliance	Yes	The staffs and workers such as the storekeepers, sprayers, and fertilizer were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. Attendance list was available for all the training carried out.
	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	Domestic wastes and recycle wastes were segregated by the workers. Only organic wastes were throw at the landfill. Recycle material such as cans, glass bottle, plastic bottle and paper were sent to recycle area. Field inspection and observation confirmed chemicals were applied in accordance with the product safety precautions and workers of its risks. MSDS were made available at point of use e.g. at the chemical store and fertilizer store. Interview with staffs and workers i.e. storekeepers and chemical sprayer were trained, and they had understood the hazards involve and how the chemicals should be used and disposed in a safe manner.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	No	At the time of audit, Harus Abadi was found had not conducted medical surveillance for its Pesticides Sprayers. Hence, a Major NCR MM01/2019 had been raised.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	Yes	The CU had stated they will complied with pesticide act "No work with pesticides shall be undertaken by pregnant or breast-feeding women". As per stated in the List of Legal register. There was no evidence that work with pesticides was undertaken by pregnant or breast-feeding women.
C 4.7 An occupational health and safety plan is documented,	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all	Yes	Occupational Safety and Health (OSH) Plan for 2019 had been developed. Activities by month noted and was grouped into four categories. They were Health & Safety Activities, Workplace Inspection, Training Program and Health Program.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
effectively communicated and implemented. The occupational health and safety plan shall cover the following:		activities shall be documented and implemented, and its effectiveness monitored. Major Compliance		
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	Yes	Based on the risk assessment done in accordance to DOSH Hazard Identification, Risk Assessment And Risk Control (HIRARC) Guidelines 2008, Harus Abadi Sdn Bhd had identified 34 key activities and reviewed its hazards and risks and determined appropriate risk control measures. The HIRARC records, as well as Chemical Health Risk Assessment (CHRA) records were verified during the assessment. In spite of the above actions, a Major NCR MM 01/2019 had been raised for not conducting Medical Surveillance for Pesticides Sprayer.
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices. Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	Yes	All field workers, FFB lorry driver and store in-charge were given training on safe work practices and PPE handling and replacement. Please see indicator 4.8.1 for training courses delivered.
	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	Although Harus Abadi Sdn Bhd is exempted by OSHA 1994 to form OSH Committee it nevertheless had form one and the OSH Inaugural Committee meeting was held in April 2019 jointly between Main Division and First Ran Tree Division. The meeting was chaired by the General Manager and minutes recorded by Secretary, Assistant General Manager. The minutes of meeting showed agenda that include discussion on appointment of OSH Committee members, Training Report, ERP Report, Environmental, Workplace and Building Inspection, and Any Other Business.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
	4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	Yes	Accident and Emergency Instruction Sheet dated in Jan 2019 was available. It contained telephone number for office contact person (Manager and Mandore In-Charge) or emergency service provider (BOMBA, Police, Hospital) hotline and general landline number, and National Poison Center.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Yes	All employees of Harus Abadi Sdn Bhd (Main Division and First Rain Tree Division) were provided with medical care. Local employees were covered by SOCSO and foreign workers were protected by Foreign Workers Compensation Assurance. When the assurance coverage period expires the medical care for foreign workers are then switched to SOCSO Employment Injury Scheme.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Yes	There was zero accident to date noted in the file. Harus Abadi Division and First Rain Tree Division had recently registered themselves as employer with DOSH and shall report to DOSH any occurrence of accident.
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 prog. Major Compliance	Yes	Training records are available for review.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	Training records were available and maintained. The record showed List of Participants, Course name; Facilitator, Date, Venue, Time, Name of attendees, Signature, and Position Title. Refer indicator 4.8.1

RSPO PUBLIC SUMMARY AUDIT REPORT

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	Harus Abadi Sdn Bhd has established its environmental aspects / impacts (EAI) register associated with their estate activities/operations. Documents were maintained, sighted and verified.
	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/s. Minor Compliance	Yes	The environmental impact assessment and its management action plan has been sighted developed and documented to address the requirement of this indicator. Monitoring (overseeing) is done daily by Mandore and during field visits by Estate Manager.
	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 management plan established at estate in Jan 2019 had been implemented accordingly. In addition to the timeline, mitigation control (program), and person in-charge it also has column for remarks on result of monitoring status. The plan incorporated monitoring protocol that is adaptive to operational changes and is reviewed annually to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.
C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if	5.2.1	Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape-level considerations. Major Compliance	Yes	The report of "Potential High Conservation Value Area Assessment Report of Harus Abadi " was made available to the auditor. It was noted that the report was prepared by the Sustainable Unit of Hap Seng. The assessment was carried out in Jan 2019. The study had covered all the High Conservation Value (HCV) within and adjacent to the 2 Estate under Harus Abadi Sdn Bhd. Based on the assessment, there was no identified RTE at Harus Abadi. The Assessor had identified potential HCV 3 in the estate which is Mud Volcano, covered a total of 0.0015 ha.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
<p>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>	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>Based on the assessment, there was no identified RTE at Harus Abadi. The Assessor had identified potential HCV 3 in the estate which is Mud Volcano. Nevertheless, the assessor has outlined several recommendations for HCV management by estate among others as follows:</p> <ul style="list-style-type: none"> • Continue prohibiting workers from entering the area • Continue to prohibit indiscriminate spraying at the area • To put up signboard prohibiting entrance of workers to the area. The area must be properly marked or designated • For RTE continue prohibiting illegal Hunting • Continue to conduct yearly training to educate the workers on RTE species • HCV Management Plan 2019 updated on January 2019 stated that to protect HCV 3
	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>Harus Abadi Sdn Bhd has conducted training on HCV and wildlife for the staffs and field workers in Jan 2019. The Company also has established a disciplinary measure titled 'Dilarang Memburu'.</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>Harus Abadi Sdn Bhd has develop action plan base on assessment by the Assessor, the plan name HCV Management Plan 2019 updated in Jan 2019. Harus Abadi also is committed to discourage any illegal or inappropriate hunting, fishing or collecting activities. Evidence was seen during the site review that signage to prohibit hunting were erected at border. Patrolling by mandora for Illegal hunting is also being implemented to control the illegal activities.</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 optimally</p>	Yes	<p>There are no local communities living nearby with Harus Abadi, only plantation company and smallholder estate. So, this indicator was not applicable to this CU.</p>

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
		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	All waste and sources of pollution are identified and documented in List of Wastes Generated at Estates. They are categorised into Solid and Liquid Waste.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	Application for Registration of Scheduled Waste generated by Harus Abadi Sdn Bhd had been submitted to Department of Environment. To date no chemical and their containers had been disposed but it shall be disposed in due course via a DOE licensed scheduled waste transporter and disposer.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented & implemented. Minor Compliance	Yes	All scheduled waste and tripled-rinsed empty chemical containers are disposed through DOE Licensed contractor mentioned above. Domestic waste are collected from line site once/ week and dispose to landfill by Mandore or appointed worker.
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	Regular servicing of the vehicles and genset are required to ensure smooth running engines and proper maintenance of the vehicles and genset parts.
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	During site visit there was no replanting and land preparation. Management has made stated commitment on zero burning policy in the Sustainable agriculture policy, no.1 no deforestation, items no.3 -a strict zero burning policy is practiced in relation in relation to all new plantings, replanting or other development.
	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	There was no evidence fire has been used for preparing land for replanting in both divisions. The estates had adhered to the Zero Burning Policy

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
<p>C 5.6 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</p>	5.6.1	An assessment of all polluting activities shall be conducted, incl. gaseous emissions, particulate/soot emissions and effluent.	Yes	All polluting activities to land, water and air have been assessed and documented in the Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plans.
	5.6.2	Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Yes	Significant pollutants identified are: Fertilizer applied in field, non-renewable fuel used by farm vehicles and genset operation. The plan to reduce or minimize pollution include no fertilizer in 2019, daily inspection and monitoring their farm tractor and genset to prevent any leakage and problem that could have adverse impact on the environment.
	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	Yes	Both Main and First Rain Tree Divisions had identified emission of greenhouse gas (GHG) from their operations such as emission from use of fertilizer and their farm tractor and genset operation. The management from both estates had planned to reduce emission by daily inspection and monitoring of their farm tractor and genset to prevent any leakage and problem that could have adverse impact on the environment. Harus Abadi with the assistance of Hap Seng Plantation Berhad (mentor) had used RSPO Palm GHG version 4.0.1 Calculator as a tool to calculate the GHG emissions. But currently the report could not generate due to Palm GHG Calculator was malfunction.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
stakeholder Estates of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.				

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	The social impact assessment report for Harus Abadi Sdn Bhd was prepared by the Sustainability Team of Hap Seng and Report updated in Sept 2019. The SIA report presented the estates' background information, labour policies, grievance procedures (internal, external land owner issues), sexual harassment policies, facilities and amenities offered by the estates, and the social impact assessment procedures and results. Manpower statement, number of internal and external stakeholders consulted, stakeholders' perspectives, issues that were raised, and proposed mitigation/enhancement measures. All the SIA information was updated and each of issues was identified and discussed them in their respective report.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Yes	SIA stakeholder consultation meeting has been conducted accordingly. The SIA presented in detail the comments made by the various stakeholders on social impacts as well as the proposed mitigation plans by the Company. Each of the issue raised by the participant was addressed in the action plan.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, incl. responsibilities for implementation. Major Compliance	Yes	A timetable with responsibilities for mitigation and monitoring was formed. The Company had appointed specific person in charge (PIC) responsible for taking actions on each of the mitigation measures with specific time intervals. The monitoring records were verified at Harus Abadi Sdn Bhd.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
	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	Since this was the first time that Harus Abadi Sdn Bhd has carried out an SIA as explained in Indicator 6.1.1, none of the action plan is due for revision.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance	N/A	There was no smallholder scheme at the Harus Abadi Sdn Bhd since this is only Small Grower.
C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	Yes	The estates and mill have maintained its consultation and communication procedures titled 'Stakeholder Consultation Procedure' and a flowchart for complaints to management (internal and external) for any stakeholders to communicate with the company on any issues concerning their interest.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	Yes	Harus Abadi Estate has nominated a management official responsible person to handle social issues at their operating unit.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	Yes	The lists of stakeholders were prepared by Harus Abadi Sdn Bhd. The lists included government agencies, suppliers, neighbouring Estates and Plantation Company. The list of stakeholders was updated in August 2019. All neighbouring estates were included in the lists. All the SIA information was updated and each of issues was identified and discussed them in their respective report at Harus Abadi.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and	6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance	Yes	Harus Abadi Sdn Bhd have developed procedures to handle grievances and disputes titled as 'Procedure for reporting complaints and grievances (Prosedur Melapor <i>Aduan dan Permasalahan</i>)' and 'Carta lir mekanisme aduan dan masalah (pihak berkepentingan luaran dan dalaman)' and also company has developed procedure named " Mekanisme Melindungi Pengadu Terhadap Tatacara tidak Wajar (Whistleblower)" to protect the complainants.
	6.3.2	Documentation of both the process by which a dispute was resolved	Yes	There was no dispute in Harus Abadi Sdn Bhd. It was confirmed during the consultation with Neighbouring Smallholder and Hap Seng management.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
accepted by all affected parties		and the outcome shall be available. Major Compliance		
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	Yes	Harus Abadi Sdn Bhd has developed procedures to deal with land disputes, squatter disputes, and loss of legal and customary rights. In the case of boundary disputes, the procedure requires the estate management and the disputing party to negotiate, first, failing which the case will have to be referred to the Headquarters for further negotiation. If negotiation fails, the case will be brought to court for arbitration.
	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 and long-established communities; and differences in ethnic Estates' proof of legal versus communal ownership of land. Minor Compliance	Yes	In terms of compensation, the procedures prescribed the determination of lawful owners, distribution of the compensation, time frame for compensation and calculation for various compensations. So far, there has been no compensation made to any disputing parties.
	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	According to the Harus Abadi management and record, there was no any dispute on land or squatters. This was verified during the audit during the consultation with the Neighboring Smallholder and Hap Seng management.
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	Documentation of pay and conditions are contained in employment contracts (for foreign workers) and letters of appointment (for local workers) which meet legal and industry standard. Monthly pay slips also document salary payable every month and these documents were available and sighted during the audit. Each pay slip documents the name of employee, month of pay, Passport no, income (basic, overtime, reimbursement, allowances), deductions (statutory such as EPF, SOCSO and non-statutory such as donation to mosque funds), net salary, annual leave and medical leave taken, etc. Interview with workers reveal that they understand the contents of the pay slips and seeks explanation from the office whenever they needed any clarifications.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
	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	NO	Details of payment and conditions of employment are contained in employment agreements. These cover working hours, deductions, overtime, medical, leaves, dismissal, period of notice, etc. There is also evidence that the contracts are prepared in a language understood by workers. For example, contracts with Indonesian workers were prepared in Bahasa Malaysia for both Indonesia and Philippines workers. In addition, their terms of contracts were also explained to them upon arrival at the estates/mill. However, during interviews of workers (foreigners) at the Harus Abadi Main Division and First Raintree Division comprising General Worker and harvesters, they generally did not understand the contents of the employment agreements, they only know about how their salary rate and allowance and satisfied with the payment made by management Thus, Major NCR MZK 01/2019 has been raised.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible. Minor Compliance	No	Harus Abadi Sdn Bhd continues to provide free housing, water supply, free medical services, Free electricity and free education for foreign children. The conditions of the houses at Harus Abadi Main Division was good as the management already build a new brick house complex and First raintree Division woody complex already maintained and repaired. The compounds were well kept and clean. Nonetheless, there have been regular requests for repairs as shown in the <i>borang aduan</i> for repairs. Harus Abadi workers using water from water rain harvesting for drinking and bath, but during drought season the management supply the mineral water for drinking and water supply using tank from Hap Seng Mill for bath and washing clothes. Sighted water rain harvesting test analysis for drinking using Inde Laboratory dated 16 January 2019. The total coliform and e.coli was absent. However, it was noted that records for September 2019 was not available. Thus, Minor NCR MZK 02 2019 has been raised. It can be confirmed that the practice only partially meets the Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) – Regulation 23.
	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	There is no grocery shop available in the Harus Abadi, However the management has initiative to collect the order from workers and buy from supermarket outside for food and everything. Sometimes workers also buy the food and groceries at nearby Plantation estate.
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	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	Yes	Harus Abadi have Policy on freedom of association and right to collective bargaining signed by Managing Director. As a matter of fact, the SIA report did mention that the company respects the right of workers to be unionized.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.	Yes	The workers in the Harus Abadi Sdn Bhd are not unionized. Furthermore, there is no formal organization formed among the workers to discuss related work or social matters. Nonetheless, a Joint Consultative Committee (JCC) has just been formed to serve as a

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
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.		Minor Compliance		platform for the discussion of such issues. This JCC comprises of the Harus Abadi management, field supervisors, <i>mandores</i> , Harvester, General Workers and clerk.
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	Harus Abadi Child Labour Policy and Sustainability Policy does not allow children below 18 years old to work in the estate. Site visit at Harus Abadi found no workers below age was hired. Inspections of the Employee Master list at Harus Abadi also found no workers below 18 years were recruited to work in the estate/mill.
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected Estates in the local environment shall be documented. Major Compliance	Yes	The Equal Opportunity Policy is publicly available in the Harus Abadi Estate. The policy statements emphasize on worker information, recruitment and selection, training, employee development, based on business needs, terms of service and records of service. It also states that all employees shall be treated fairly in terms of recruitment, progression, terms and conditions of work regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age.
	6.8.2	Evidence shall be provided that employees and Estates including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Yes	Interviews with Woman and foreign workers at the Harus Abadi Sdn Bhd revealed that there is no evidence of discrimination based on race, gender or national origin or any other factors. As shown in the employment letter, there are no differences in the terms of employment between foreign and local workers or between male and female workers.
	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	Recruitment and promotion observed were according to legal and industry standard as well as the Harus Abadi criteria, including skills and medical fitness. Auditor has verified the 'Procedure for hiring Workers and Procedure for Hiring Foreign Workers', recruitment and hiring process was based on education qualification and interview with Administration Department. No issues concerning recruitment or promotion observed, which acknowledged by employees interviewed. Also auditor has verified that foreign workers also can be hired as clerk. All the requirement are follow the job skills, job scope and education qualification.
C 6.9 There is no harassment or abuse in the work place,	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.	No	Harus Abadi Sdn Bhd have displayed policy on sexual harassment titled " <i>Sexual Harassment, Violence and Abuse Policy</i> " and 'Flow Chart – Reporting Sexual Harassment (Worker)' at the office notice board. The guidelines emphasize that sexual harassment is a threat to basic human rights and offenders will be punished accordingly, including termination from work.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators	Comply Yes/No	Findings
and reproductive rights are protected.	Major Compliance		However during interview with General Workers from the Philippines revealed that they understood the policy but not the procedure how to channel the complaint if such case happened in the Estate Thus, Major NCR MZK 03/2019 has been raised.
	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	A policy to protect women reproductive rights titled 'Policy on Reproductive Rights' was made available at Harus Abadi Sdn Bhd. The policy and procedure were briefed to all levels of the workforce.
	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	Harus Abadi Sdn Bhd have developed procedures to handle Complaints and Grievance titled as 'Procedure for reporting complaints and grievances (Prosedur Melapor <i>Aduan dan Permasalahan</i>)' and 'Carta alir mekanisma aduan dan masalah (pihak berkepentingan luaran dan dalaman' and also company has developed procedure named " Mekanisme Melindungi Pengadu Terhadap Tatacara tidak Wajar (Whistleblower)" and also company has developed procedure named " Mekanisme Melindungi Pengadu Terhadap Tatacara tidak Wajar (Whistleblower)" to protect the complainants.
C 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1 Current and past prices paid for FFB shall be publicly available. Minor Compliance	Yes	Not Applicable since Harus Abadi Sdn Bhd is only Smallgrower.
	6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	Yes	Not Applicable since Harus Abadi Sdn Bhd is only Smallgrower.
	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	Sighted during the Audit, there is no contractor/ Supplier/Vendor in the Estate. All chemical and fertilizer using at estate has been purchased at hardware in Lahad Datu due to no bulk order. No contract has been involved. All work in the estates are using own machineries and own workers.
	6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance	Yes	No issues since there are not using contractor/supplier/vendor in the estate. Il chemical and fertilizer using at estate has been purchased at hardware in Lahad Datu due to no bulk order. No contract has been involved. All work in the estates are using own machineries and own workers.
C 6.11 Growers and millers contribute to local Sustainable	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 Harus Abadi plantation area. Only one small farm nearby. Harus Abadi has patched the government road for usage of another plantation company and open their road for one small farm nearby.

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
development where appropriate.	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	Yes	Not Applicable since Harus Abadi Sdn Bhd is only Smallgrower.
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	Based on verification of their passport, contract agreements and work permit, interview with foreign workers (Indonesian and Phillipines) – men and women (sprayer, harvesters and general workers) at Main Div and FRT Div, it was verified that there were no forms of forced or trafficked labour used at the Harus Abadi. All workers come to estate by themselves, applied to work at the estate and the management applied for their work permit through quota by the government. The Workers Passport also has been given to the workers, which the workers insist to be kept by the management to avoid it being loss or stolen.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	Based on employment contract, passport, work permit and interview with foreign workers and interview with foreign workers (Indonesian and Phillipines), there was no occurrence of contract substitution in Harus Abadi as explained in the indicator above.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	Yes	A “Labour Policy for Foreign Workers” was established in Harus Abadi. The policy included statement of the non-discriminatory practices; No contract substitution; Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.; and Decent living conditions to be provided. Procedure for employment of foreign workers was also established and available at Harus Abadi Sdn Bhd.
C 6.13 Growers and millers respect human rights	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations. Major Compliance	Yes	Human Rights policy was made available at Harus Abadi Sdn Bhd. The policy has been communicated to all workers during morning muster and training sessions. Auditor has verified through interview with workers that workers understand the policy.
	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	The management was not provided the school since there is no children in the Harus Abadi, however in case there is children, they will send the children at HUMANA school at Hap Seng Litang Estate, and all the cost under company responsibility.

RSPO PUBLIC SUMMARY AUDIT REPORT

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Auditors has verified through checking the www.globalforestwatch.com, GOOGLE Maps, Estate Maps and also through site visit to the estate area of Harus Abadi Main Div and First Raintree Div. Based on the audit findings, it was confirmed that there were no new planting or new development of areas at Harus Abadi Sdn Bhd.

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:		This Independent Smallholder has implemented several activities as part of its action plan based on consideration of the main social and environmental impacts.
	a) Reduction in use of pesticides (Criterion 4.6);	Yes	There is reduction on usage of Isopropylamine glyphosate for spot spraying in the field and the introduction of beneficial plant (Tunera) planting.
	b) Environmental impacts (Criteria 4.3, 5.1 and 5.2);	Yes	The environmental impact assessment, its management action plan and continuous improvement plan had been identified and documented. Its negative and positive impacts had been recognized. Appropriate mitigation measures to reduce negative impacts have been taken and positive impacts have been promoted as discussed in indicator 5.1.2
	c) Waste reduction (Criterion 5.3);	Yes	Improvement for waste reduction include: <ul style="list-style-type: none"> • use rinsed empty fertilizer bags for loose fruit collection. • reduce fertilizer use by conducting foliar sampling • segregate at source plastic, aluminium, glass containers and paper and disposed them at recycle collection centre at Lahad Datu. • Likewise, manage and dispose domestic waste from the housing area via Majlis Daerah Lahad Datu (MDLD). • Continue current practise to dispose the SW 102/SW305/SW306 (generated by FFB transport) by servicing all vehicles at the Lahad Datu workshop.
	c) Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Yes	Action to reduce GHG include emission by daily inspection and monitoring their FFB Transport to prevent leakage and problem that could adverse impact the environment.
	d) Social impacts (Criterion 6.1);	Yes	Continue to implement the social action plan determined from results of stakeholders' consultation and meetings. Among the improvement made were replacing old wooden

RSPO PUBLIC SUMMARY AUDIT REPORT

Clause	Indicators		Comply Yes/No	Findings
				house to brick and paint and maintenance the wooden houses until new quarters completely constructed.
	e)	Encourage optimising the yield of the supply base Major Compliance	Yes	Optimize yield by commitment to implement best agricultural practices, inclusive of <ul style="list-style-type: none"> • timely and proper fertilizer application; • maintain/conserves water by water management, • improve on accessibility to maximise crop evacuation • reduce surface run off water to prevent leaching of fertilisers • Maintaining at least 2 rounds of harvesting per month

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	Not applicable. Harus Abadi didn't have other mills or estates within it company.
	(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	Not applicable.
	(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally	YES	Not applicable.

RSPO PUBLIC SUMMARY AUDIT REPORT

		registered with the local notary or chamber of commerce (or equivalent);		
4.5.4 Requirements for uncertified management units:	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since 1 st January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	YES	Not applicable.
	(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	Not applicable.
	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	YES	Not applicable.
	(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	YES	Not applicable.
	(e)	The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) – (d) above by the audit team based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:	YES	Not applicable.
		<ul style="list-style-type: none"> A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement; 	YES	

RSPO PUBLIC SUMMARY AUDIT REPORT

		<ul style="list-style-type: none"> Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team. 	YES	
		<ul style="list-style-type: none"> Desktop study e.g. web check on relevant complaints 	YES	
		<ul style="list-style-type: none"> If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements. 	YES	
<p>4.6.4 The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.</p>		No additional indicators	YES	<p>The right to use the land at the CU can be demonstrated and not disputed by any party. Evidence of legal ownership of the land including history of land tenure was verified during this audit. For Harus Abadi the land was previous owned by Sabah Land Development and Harus Abadi Sdn Bhd has buy and develop the land in 20/9/1989.</p> <p>For First Rain Tree, the land was previous owned by company of several villagers which is the land has obtained from Sabah land development on the 21/3/1998 and 30/9/1997. The Company has sell their land to the First Rain Tree on 1/6/2000. There were clear land ownership documents available for review. The original copies of the documents were kept in Harus Abadi Central Office, Lahad Datu.</p>

RSPO PUBLIC SUMMARY AUDIT REPORT

Attachment 4

Details of Non-conformities and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
MM 01/2019 4.6.11	Major	<p>Finding : No medical surveillance has been conducted for pesticide operators Objective evidence: No record of medical surveillance was available to sight.</p>	Yearly checking by HASB Manager to ensure all pesticide operator are sent for medical surveillance as per requirement of RSPO Indicator 4.6.11 against current's no monitoring practice on medical surveillance.	<p>Auditor has verified the Occupational Medical Surveillance Report produced by Mabello Group of Clinic dated 7/11/2019 refers. DOSH Registered OHD No.JKKP/HQ/16/DOC//00/557 had examined the Pesticides Operator from Harus Abadi and found them Physically Fit to Work.</p> <p>Status: Closed</p>
MZK 01/2019 6.5.2	Major	<p>Finding : Workers contracts of employment was not detailing about payments and was not explained carefully to them by a management Objective evidence : During interviews of workers (foreigners) at the Harus Abadi Main Division and First Raintree Division comprising General Worker and harvesters, they generally did not understand the contents of the employment agreements and as verified by the auditor, the salary rate was not stated in the contracts of employment for all workers.</p>	The HASB management to yearly conduct refresher briefing to the workers on employment agreement and training induction to include briefing on employment agreement for new workers.	<p>Auditor has verify evidence of contract dated 12/10/2019 and sighted the salary rated already stated and also training dated 12/10/2019 to all workers regarding employment agreement.</p> <p>Status: Closed</p>
MZK 02/2019 6.5.3	Minor	<p>Finding : Non-compliance with Section 23(2) of the Workers' Minimum Standards of Housing & Amenities Act 1990. Objective evidence : Harus Abadi Main division- Management has conducted housing inspection weekly. Records dated 2/8/19, 9/8/19, 16/8/19, 23/8/19 were reviewed. However, records for September 2019 was not available.</p>	Assistant General Manager to monthly cross-check the person in-charge's weekly housing inspection report.	<p>The effectiveness of the corrective action is accepted and will be verified during next audit.</p> <p>Status: Open</p>

RSPO PUBLIC SUMMARY AUDIT REPORT

<p>MZK 03 2019 6.9.1</p>	<p>Major</p>	<p>Finding : There is no evidence that the policy to prevent sexual has been communicated and understand to all levels of workforce</p> <p>Objective evidence : Interviews with woman worker at FRT Div reveal that there is either inadequate understanding or no understanding on sexual harassment and what constitutes sexual harassment (Polisi Gangguan Seksual) and they also did not understand the procedure how to channel the complaint if such case happened in the Estate.</p>	<p>The HASB management to initiate a scheduled morning muster's refresher briefing/training to the workers on sexual harassment policy and sexual harassment complaint procedure.</p>	<p>Auditor has verify evidence training dated 12/10/2019 and 13/10/2019 to all workers regarding Sexual Harassment and found to be accepted.</p> <p>Status: Closed</p>
------------------------------	--------------	---	---	---