



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

File Ref. : EH04760003

RSPO PUBLIC SUMMARY REPORT

CLIENT : HAP SENG PLANTATIONS (RIVER ESTATES) SDN BHD

PARENT COMPANY : HAP SENG PLANTATIONS HOLDINGS BHD

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

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):
(In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
Tomanggong CU	Tomanggong POM	5°25' 38.3" N	118°39' 33.5" E	Off 80 KM, Jalan Jeroco, 91109 Lahad Datu, Sabah, Malaysia.
	Tomanggong Estate	5°24' 01.9" N	118°39' 51.7" E	
	Tagas Estate	5°21' 47.3" N	118°38' 14.2" E	
	Litang Estate	5°19' 31.6" N	118°34' 28.3" E	

MAP : See Attachment 1

AUDIT DATE : 29 Nov – 4 Dec 2021

DURATION : 18 auditor days

TYPE OF AUDIT :



**Annual Surveillance Audit
No.2**



Recertification Audit

STANDARD : MYNI 2019 FOR RSPO PRINCIPLE & CRITERIA 2018

SCOPE OF CERTIFICATION: Production of Sustainable Crude Palm Oil and Palm Kernel Using Mass Balance Supply Chain Model

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

The following attachments form part of this report:

Non-conformity Report(s) ☒

List of additional site(s) ☐

Report by Audit Team Leader

Name : **MOHD AB RAOUF BIN ASIS**

Signature :

Date : **3 Jan 2022**

Acknowledgement by Client's Representative

Name : **KEE KEOW CHONG**

Signature :

Date : **7.1.2022**

SUMMARY OF AUDITS

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

Annual Surveillance Audit 1				
On-site audit date	:	12-16 April 2021 (13 a.d)	No. of auditor days :	18 Days
Remote audit date	:	16-18 November 2020 (5 a.d)		
Audit team	:	Mohd Zulfakar Kamaruzaman (LA), Selvasingam T. Kandiah, Dzulfikar Azmi, Rohazimi Mat Nawi (trainee auditor)		
No. of major NCR	:	2	Indicator: 3.8.9, 7.2.11	Closing date: 1/07/2021
No. of minor NCR	:	-	Indicator : -	
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees / Workers orgs.	Settlers	Villagers / Local communities
		√		√
		Contract workers	Local & National NGOs	Govt. agency / Statutory bodies
				√
		Indigenous people	Contractor	Others (Please specify)
		NA	√	
Supply base sampled	:	Tomanggong POM, Tomanggong Estate, Litang Estate, Tagas Estate		
Changes since the last audit	:	No changes		
Justification of audit planning	:	Allocation of mandays during onsite: 3-man days for each site units (estates) and as for POM 4-man days allocated for P&C auditing and 1 day for Supply Chain System. 3 auditors for 4 days And, extra 1 days at POM for Supply Chain		
Name of peer reviewer	:	NA		
Report approved by	:	Kamini Sooriamorthy	Approval date :	7/07/2021

Annual Surveillance Audit 2				
On-site audit date	:	29 Nov – 4 Dec 2021	No. of auditor days :	18 Days
Audit team	:	Mohd Ab Raouf bin Asis (LA), Mohd Zulfakar Kamaruzaman, Selvasingam T. Kandiah.		
No. of major NCR	:	Nil	Indicator: N/A	Closing date: N/A
No. of minor NCR	:	2	Indicator : 3.3.2, 7.8.1	
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees / Workers orgs.	Settlers	Villagers / Local communities
		✓		✓
		Contract workers	Local & National NGOs	Govt. agency / Statutory bodies
				✓
		Indigenous people	Contractor	Others (Please specify)
		NA	✓	
Supply base sampled	:	Tomanggong POM, Tomanggong Estate, Litang Estate, Tagas Estate		
Changes since the last audit	:	No changes		
Justification of audit planning	:	Allocation of mandays during onsite: 4.5-man days for each site units (estates) and as for POM 3.5-man days allocated for P&C auditing and 1 day for Supply Chain System. 3 auditors for 6 days.		
Name of peer reviewer	:	NA		
Report approved by	:	Kamini Sooriamorthy	Approval date : 4/1/2022	

SUMMARY OF INFORMATION

TABLE 1

	RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period	*Nov 2019-Oct 2020	April 2021 – March 2022	**Dec 2021 – Nov 2022		
Certified FFB Processed (MT)	132,714.00	127,569.00	131,790.00		
Production of Certified CPO (MT)	28,511.73	27,412.00	29,464.00		
Production of Certified PK (MT)	5,730.23	5,620.00	6,272.00		
Certified Areas (Ha)	7,515.75	7,515.75	7,515.75		
Planted Areas (Ha)	6,900.70	6,900.70	6,900.70		
Production Areas (Ha)	6,166.40	6,106.20	5,703.20		
HCV /Conservation Areas (Ha)	125.64	125.64	125.64		
REMARKS	<p>*This was the projected period based on audit carried out in 2019. However, during the conduct of ASA 1 in April 2021, the actual reporting period has been extended to 17 months as the surveillance audit was delayed due to Covid-19 pandemic restrictions. The actual reporting period i.e. Nov 2019-March 2021 was reflecting the actual stocks and transactions carried out by the CU.</p> <p>**The ASA2 was carried out in back in track for the surveillance audit. The actual reporting period covered were between Apr 2021-Nov 2021. Hence, that is why the next projection period is from Dec 2021-Nov 2022.</p>				

TABLE 2

	PO	PK
Last years certified volume (MT)	27,412.00	5,620.00
Last years actual certified sold (MT)	0	278.48
Last years actual sold under other schemes (MT)	0	0
Last years sold conventional (MT)	1,419.34	0
Last year actual sold CSPO credits (where applicable)	0	0
New year certified volume (MT)	29,464.00	6,272.00

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1.0 AUDIT PROCESS

1.1 Certification Body

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

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and re-accredited by ASI on 3 October 2019 (accredited 2014).

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mohd Ab Raouf bin Asis	Lead Auditor Social (Internal), Time Bound Plan, Metrics Template	Holds a B.Sc. (Hons) in Management Technology Majoring Production and Operation from UTHM in 2007. He has been in the plantation industry for 7 years assisting Estate Manager managing palm oil estates and 5 years auditing related to oil palm operations. He is a qualified RSPO and MSPO Lead Auditor.
Mohd Zulfakar Kamaruzaman	Auditor Supply Chain, Social & HCV	Holds a B.Sc. Forestry from UPM. He had 5 years of working experience in the oil palm operation. He is a qualified RSPO P&C, RSPO Supply Chain and MSPO Lead Auditor.
Selvasingam T. Kandiah	Auditor Good Agricultural Practices, Safety & Environment (estate)	Holds a B. Sc. (Hons) in Agriculture. He had worked as a planter with Kumpulan Guthrie Berhad before retiring including in Liberia. He is a qualified auditor for RSPO P&C & MSPO.

1.3 Audit methodology

The audit covered Tomanggong palm oil mill and three of its supply base, with 100% sampling. This is in accordance with the requirement specified in the RSPO Certification Systems Document, Nov 2020. The 3-supply base covered during the audit are Tomanggong Estate, Tagas Estate and Litang Estate. The audit included an on-site audit to the estates, mill and local communities' houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

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

Stakeholders interviewed	Evidence from stakeholder consultation
1) Employees / Workers Organizations (including migrant workers)	<p>The following were confirmed during the conduct of audit as there was no evidence to prove otherwise:</p> <ul style="list-style-type: none"> a) All workers signed the employment agreements with the estates/mill. They understood the contents of agreement, as these were prepared in English/Bahasa as the case may be. For those who couldn't read, the contents were explained to them in language they understood, usually by fellow countrymen who has worked in Malaysia longer. b) They are aware of their working hours (8 hours) and confirmed they were paid overtime for any work in excess of 8 hours. There was no forced overtime. c) They have been getting salaries above RM1,100 since January 2019 no issues until today. Salaries were paid before the 7th of every month. d) No abuse at work, and no sexual harassment. They understand what constitutes sexual harassment. e) No discrimination between migrant workers and local workers, between male and female workers. f) Comfortable housing with water and electricity provided. g) Have access to affordable food from the canteen/sundry shops within the estate/mill premises. h) Entitled to free medical facilities at the estate clinic. i) Have representatives who attend regular meetings with the management where they can put forward any complaints and or raise any issues. They are aware of the complaints form. They have used them to complaint about house defects. j) They knew the types of work offered at the CU (mill & estates) when they were in their countries of origin. k) All migrant workers keep their own passports.
2) Settlers	Not available for this audit.
3) Villagers / Local communities (including women representatives, displaced communities)	There was no land dispute reported/recorded. Borders are with Kg Tidung, Kg Litang, Kg Dagat. Relationship were harmonious and cordial.
4) Suppliers	Supplier of hardware since the establishment of the CU. Fair dealings with the units in Tomanggong CU. Payments are made within 1 months of invoice.
5) Contract workers	Not available for this audit.
6) Local & national NGOs	Relevant NGOs were HUMANA, WWF-Malaysia. No issues were raised / recorded. The existing relationship was harmonious and cordial.
7) Government agencies / Statutory bodies	The Government Agencies mainly related to statutory bodies e.g. MPOB, DOSH, DOE, NREB, JTK BOMBA, PDRM, Immigration Dept, Indonesian Consulate, Philippine Embassy. No issues were raised / recorded.

8) Independent growers / Smallholders	The neighbouring estates are IOI Plantations, LPC plantations, Spark Glory Sdn Bhd, Bukit Kretam Sdn Bhd). No issues were raised / recorded.
9) Indigenous people	Not applicable.
10) Contractor	Most of the work in the Tomanggong CU is managed within the Company resources. Delivery of FFB and CPO are handled through own fleet of trailers and lorries. Mainly contract works are awarded to Contractors on construction of houses, buildings and major mill maintenance especially on the annual shutdown e.g. <i>Bumi Jaya Kontraktor, Millivest Sdn Bhd, Thien Engineering, Greentrend Builder Sdn Bhd, S&S Steel Engineering Works Sdn Bhd and Uni-Vessel Engineering (L/D) Sdn Bhd</i> and clinic (Klinik Chong). There were no issues raised / recorded. Signed contract was with the HSPB Head Office. Contract terms are clear and fair.
11) Previous land owner (if any)	Not available for this audit.
12) Others (please specify)	Food facilities are managed by HSPB. Each complex having separate club / food facilities. Provision shop available at the estates visited. No issues raised on the pricing and services.

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. (For RA, the next RA will be conducted at least 4 months prior to expiry date of the certificate)

2.0	SCOPE OF CERTIFICATION AUDIT
2.1	<p>Description of the certification unit</p> <p>The Tomanggong Certification Unit (Tomanggong CU) is under the Hap Seng Plantations (River Estates) Sdn Bhd. which is a subsidiary of Hap Seng Plantations Holdings Bhd (HSPHB). The CU is located at Ladang Tomanggong Off 80 KM, Jalan Lahad Datu-Sandakan, Kinabatangan, Sabah, Malaysia. The Tomanggong CU consists of Tomanggong Palm Oil Mill (POM) and five supply bases, namely the Tomanggong Estate, Litang Estate, Tagas Estate (certified), Tabin Estate and Northbank Estate (non-certified). A time bound plan had been established to include these two estates in the certification. The milling capacity of Tomanggong POM is 45 mt/hr.</p>
2.2	<p>Description of the Supply Base (including the planting profile)</p> <p>The FFB is sourced from company owned estates of Tomanggong CU and independent suppliers, Northbank Estate and Tabin Estate which are still in the progress to be certified. Details of the FFB actual and projected contribution from each source to the mill are shown in the following tables.</p>

<p><u>Table 1: Actual FFB production by the supply base for the reporting period</u> <u>(April 2021 – November 2021)</u></p>	
--	--

Estates	FFB Production	
	Tonnes	Percentage (%)
Tomanggong	3,135.59	47.28
Tagas	1,981.99	29.89
Litang	1,422.36	21.45
Spark Glory	91.80	1.38
Total	6,631.74	100.00
NorthBank	25,441.78	31.55
Tabin	40,766.92	50.55
Outside Crop (detail List)	14,437.23	
LPC Plantations	11,878.80	14.73
Khoo Chin Hung	2,061.54	2.56
Lim Engit Fun	334.89	0.42
Korporasi Pembangunan Desa	144.61	0.18
Chin Hock Vui	17.39	0.02
Bukit Kretam Sdn. Bhd.	0	0
First Raintree Sdn. Bhd.	0	0
Lebihjaya Sdn. Bhd.	0	0
Total Non-certified	80,645.93	100.00
OVERALL TOTAL	87,277.67	

**Table 2: Projected FFB production by supply base for the reporting period
(December 2021 – November 2022)**

Estates	FFB Production	
	Tonnes	Percentage (%)
Tomanggong	36,100.00	27.38
Tagas	49,990.00	37.92
Litang	45,700.00	34.66
Spark Glory	51.00	0.04
Total	131,841.00	100.00
NorthBank	49,092.00	33.05
Tabin	73,800.00	49.68
Outside Crop (detail List)	25,649.00	
LPC Plantations	20,100.00	13.53
Khoo Chin Hung	4,459.00	3.00
Lim Engit Fun	790.00	0.53
Korporasi Pembangunan Desa	200.00	0.13
Chin Hock Vui	100.00	0.07
Total Non-certified	148,541.00	100.00
OVERALL TOTAL	280,382.00	

**Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period
(April 2021 – November 2021)**

RSPO Supply Chain Model: Mass Balance	Total (MT)
---------------------------------------	------------

FFB Received	87,277.67
FFB Processed	87,277.67
Certified FFB Processed	6,631.74
Non-certified FFB Processed	80,645.93
Crude Palm Oil (CPO)	
Overall CPO Production	18,662.50
Certified CPO Production	1,419.34
Certified CPO delivered as RSPO	0
Certified CPO delivered as non-RSPO	1,419.34
Certified CPO delivered under other sustainable schemes	0
Palm Kernel (PK)	
Overall PK Production	3,641.77
Certified PK Production	278.48
Certified PK delivered as RSPO	278.48
Certified PK delivered as non-RSPO	0
Certified CPO delivered under other sustainable schemes	0
Credits traded through Books and Claim	0

Table 4: Projected FFB received and CPO & PK dispatch by the Tomanggong Mill of the next reporting period (December 2021 – November 2022)

RSPO Supply Chain Model: Mass Balance	Total (MT)
FFB Received	280,382.00
FFB Processed	280,382.00
Certified FFB Processed	131,790.00
Certified CPO Production	29,464.00
Certified PK Production	6,272.00

Table 5 Planted and certified area of the CU

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

Table 6: Planting profile for Tomanggong Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1996	2 nd	Mature	90.00	3.74
1997	2 nd	Mature	101.0	4.20
1998	1 st	Mature	401.5	16.68
2014	2 nd	Mature	393.2	16.34
2015	2 nd	Mature	143.0	5.94
2016	2 nd	Mature	352.0	14.62
2017	2 nd	Mature	343.3	14.26
2020	3 rd	Immature	180.0	7.48
2021	3 rd	Immature	403.0	16.74
Total			2,407.00	100

Table 7: Planting profile for Tagas Estate

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

Table 8: Planting profile for Litang Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1994	1 st	Mature	397.9	16.08
1997	1 st	Mature	321.5	13.00
2011	2 nd	Mature	236.0	9.53
2012	2 nd	Mature	719.5	29.07
2015	3 rd	Mature	146.3	5.91
2017	1 st	Mature	39.0	1.58
2019	3 rd	Immature	614.5	24.83
Total			2,474.70	100

2.3 Organizational Information/Contact Person(s)

The details of the contact person are as shown below:

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

3.0 AUDIT FINDINGS

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

No changes

3.2 Progress and changes in time bound plan (Refer to Attachment 6 for the time bound plan)

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

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

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

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

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

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

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

If no, please state reasons

There is no associated smallholder supplying FFB to the CU.

- iv. Any new acquisition which has replaced primary forests or HCV areas ☐ Yes ☒ No

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

No changes

3.4 Status of previous non-conformities *



Closed



Not closed*

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

3.5.	Complaint received from stakeholder (if any) <u>No complaints from stakeholders were recorded nor received.</u>
4.0	DETAILS OF NON-CONFORMITY REPORT
4.1	For P&C (Details checklist refer to Attachment 3) : <div> <div>Total no. of minor NCR(s) (details refer to Attachment 4)</div> <div>List : 3.3.2, 7.8.1</div> </div> <div> <div>Total no. of major NCR(s) (details refer to Attachment 4)</div> <div>List : Nil</div> </div>
4.2	For SC (Details checklist refer to Attachment 5) : <div> <div>Total no. of minor NCR(s) (details refer to Attachment 5)</div> <div>List : Nil</div> </div> <div> <div>Total no. of major NCR(s) (details refer to Attachment 5)</div> <div>List :Nil</div> </div>
5.0	AUDIT CONCLUSION The audit team concludes that the organization has / has not * established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

6.0 RECOMMENDATION

☐

No NCR recorded. Recommended to continue certification.

☒

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

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

☐

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

☒

Recommended to continue certification.

☐

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

Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

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

Audit Team Leader : MOHD AB RAOUF BIN ASIS

(Name)

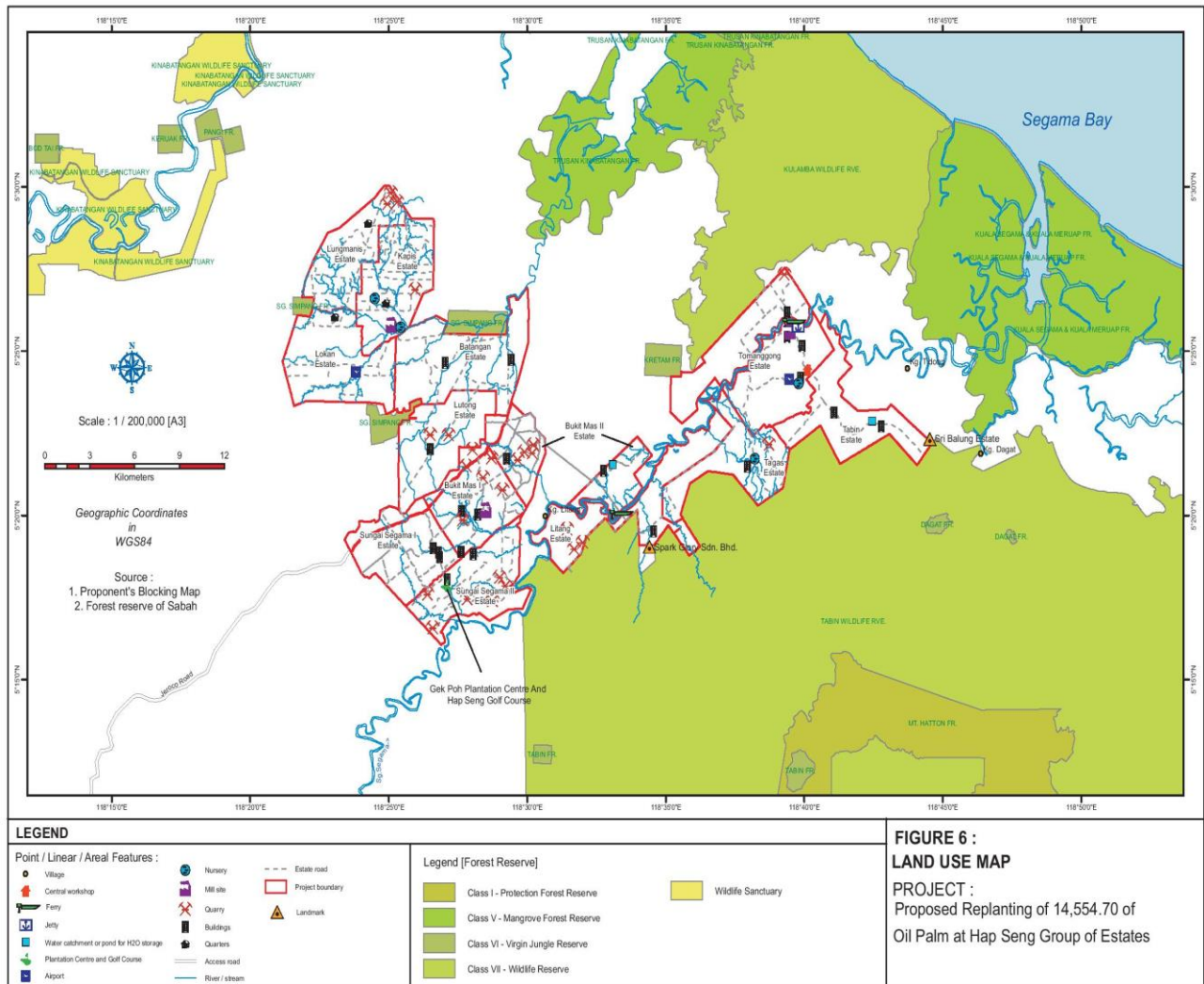


(Signature)

3/1/2022

(Date)

Map of Tomanggong CU under Hap Seng Group of Estates



ASA 2 AUDIT PLAN

1. Objectives

The objectives of the audit are as follows:

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

2. **Date of assessment** : 29 Nov – 4 Dec 2021

3. **Site of assessment** : Tomanggong CU
 i) Tomanggong POM
 ii) Tomanggong Estate
 ii) Tagas Estate
 iii) Litang Estate

4. **Reference Standard :**

- a. MYNI 2019 of RSPO P&C 2018
- b. RSPO Certification System Documents, Nov 2020
- c. Company's audit criteria including Company's Manual/Procedures

5. Assessment Team

- (i) Audit Team Leader : Mohd Ab Raouf bin Asis (**MAR**) - TBP, Metrics Template, Social (Employee), Safety (Mill)
- (ii) Auditor :
 i) Mohd Zulfakar bin Kamaruzaman (**MZK**) - SCCS, HCV, Social (External Stakeholder), Environment
 ii) Selvasingam T Kandiah (**STK**) – Safety (Estate), GAP
- (iii) Witnessed : N/A
- (iv) Technical expert : N/A

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 or field checks including observation of practices, interviews with internal and external stakeholders and interested parties (employees, nearby population, etc.), documentation review and evaluation of records.

8. RSPO 2018 Principles and Criteria (P&C) Metrics Template

The RSPO 2018 Principles and Criteria (P&C) Metrics Template outlines a set of strategic outcome-based metrics relating directly to the RSPO P&C and is aligned with the RSPO Theory of Change. This Metrics Template comes into effect on 1 June 2021 and all audits against the 2018 P&C or the relevant National Interpretation conducted from 1 June 2021 onwards shall prepare and submit this Metrics Template for the audit team to review during audit.

Please submit the Metrics Template to Lead Auditor according to this period:

- a) Reporting time frames for economic data are:
 - i. Calendar year (January to December): **January 2020 to December 2020**, and
 - ii. 12 month period counting up to two months before audit month: **Nov 2020 to Oct 2021**
- b) Reporting time frames for demographic data:
 - i. For mill and estate workers: **as of 31 December 2020**
 - ii. For smallholders and outgrowers: **January 2020 to December 2020**
- c) Reporting time frame for all other social and environmental data:
 - i. **January 2020 to December 2020**

The updated Metrics Template (as attached, the version 2.0) will be enforced from 1 August 2021. For audits conducted during the transition period from 1 June to 31 July 2021, members are encouraged to use the updated version but are also allowed to use the previous version (version 1.0). All audits conducted from 1 August 2021 onwards must use the updated Metrics Template (version 2.0).

9. Audit Findings

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

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

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

10. 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.

11. Working Language : English and Bahasa Malaysia

12. Reporting

- a) Language : English
- b) Format : Verbal and written
- c) Expected date of issue : 2 weeks after the closure of the Major NC / or if only minor NC, 30 days from the last day of this audit.

13. Facilities Required

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

14. Assessment Programme Details : As below.

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Time	Activities / areas to be visited			Auditee
8.30am	Opening Meeting – Audit team introduction and briefing on assessment objectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader.			
9.00am	Briefing on the organization background and implementation of RSPO at CU (including actions taken to address previous audit findings) by company Management Representative. Logistics discussion to the sites to be visited.			Management Representative
9.15 am	To assign each audit team members – site and the P&C requirements			
	Raouf (TPOM)	Zulfakar (TPOM)	Selva (Tomanggong Estate)	
	Site visit and assessment on implementation: <ul style="list-style-type: none"> Laws and regulations Social aspects - SIA, management plan & implementation, workers' quarters. Interview with employees, gender committee, worker representative, union representative, etc Linesite inspection Complaints and grievances 	Site visit and assessment on Supply Chain Implementation incl. the <ul style="list-style-type: none"> Model used General Chain of Custody System Requirements for the supply chain Documented procedures Purchasing and goods in Outsourcing activity Sales and goods out Processing Records keeping Registration Training Claims Interview with PIC SCCS, contractors, etc. 	Site visit and assessment on implementation: <ul style="list-style-type: none"> Plantation on hilly/swampy area IPM implementation, training and safe use of agro-chemicals. New planting Witness activities at site Good agricultural practices Training and skill development programmes Continuous improvement 	
13.00pm	LUNCH BREAK			All
14.00pm	Continue assessment			Guide(s) for each auditor
16.00 - 18.00pm	Audit team discussion / Debrief meeting with client on issues (if any) / Discussion on potential NCRs / End of Day 1 audit			All

Day 2: 30/11/2021 (Tuesday)

Time	Activities / areas to be visited			Auditee
8.30am	Overview of current activities at Supply base sites			Respective Scheme Manager
9.00am	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	Raouf (TPOM)	Zulfakar (TPOM)	Selva (Tomanggong Estate)	Guide(s) for each auditor
	Site visit and assessment on implementation: <ul style="list-style-type: none"> Laws and regulations 	Site visit and assessment on implementation: <ul style="list-style-type: none"> Laws and regulations 	Site visit and assessment on implementation:	

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	<ul style="list-style-type: none">Facilities at workplaceOccupational safety & health practice – witness activities at siteTraining and skill development programmesContinuous improvementTime bound plan and uncertified management units	<ul style="list-style-type: none">Land titleSocial aspects - SIA, management plan & implementation, stakeholders.Interview with local communities, contractors, suppliers.Environmental management – witness activities at siteWaste & chemical managementInterview with workers, safety committee and contractorsFacilities at workplaceTraining and skill development programmesContinuous improvement	<ul style="list-style-type: none">Laws and regulationsInterview with workers, safety committee and contractorsFacilities at workplaceOccupational safety & health practice – witness activities at siteTraining and skill development programmesContinuous improvement	
13.00pm	LUNCH BREAK			All
14.00pm	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	Continue assessment	Continue assessment	Continue assessment	Guide(s) for each auditor
16.00 - 18.00pm	Audit team discussion / Debrief meeting with client on issues (if any) / Discussion on potential NCRs / End of Day 2 audit			All
Day 3: 1/12/2021 (Wednesday)				
Time	Activities / areas to be visited			Auditee
8.30am	Overview of current activities at Supply base sites			Respective Scheme Manager
9.00am	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	Raouf (Tomanggong Estate)	Zulfakar (Tomanggong Estate)	Selva (Tagas Estate)	Guide(s) for each

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	Site visit and assessment on implementation: <ul style="list-style-type: none"> • Laws and regulations • Social aspects - SIA, management plan & implementation, workers' quarters. • Interview with employees, gender committee, worker representative, union representative, etc • Linesite inspection • Complaints and grievances • Training and skill development programmes • Continuous improvement • Time bound plan and uncertified management units 	Site visit and assessment on implementation: <ul style="list-style-type: none"> • Laws and regulations • Land Title • Social aspects - SIA, management plan & implementation, stakeholders. • Interview with local communities, contractors, suppliers. • Complaints and grievances on stakeholders • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • HCV Assessment management plan & implementation • Training and skill development programmes • Continuous improvement 	Site visit and assessment on implementation: <ul style="list-style-type: none"> • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Witness activities at site • Good agricultural practices • Training and skill development programmes • Continuous improvement 	auditor
13.00pm	LUNCH BREAK			All
14.00pm	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	Continue assessment	Continue assessment	Continue assessment	Guide(s) for each auditor
16.00 - 18.00pm	Audit team discussion / Debrief meeting with client on issues (if any) / Discussion on potential NCRs / End of Day 3 audit			All

Day 4: 2/12/2021 (Thursday)

Time	Activities / areas to be visited			Auditee
8.30am	Overview of current activities at Supply base sites			Respective Scheme Manager
9.00am	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	Raouf (Tagas Estate)	Zulfakar (Tagas Estate)	Selva (Tagas Estate)	Guide(s) for each auditor
	Site visit and assessment on implementation: <ul style="list-style-type: none"> • Laws and regulations • Social aspects - SIA, management plan & implementation, workers' quarters. • Interview with employees, gender committee, worker representative, 	Site visit and assessment on implementation: <ul style="list-style-type: none"> • Laws and regulations • Land Title • Social aspects - SIA, management plan & implementation, stakeholders. • Interview with local communities, contractors, suppliers. 	Site visit and assessment on implementation: <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management 	

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	<ul style="list-style-type: none"> union representative, etc Linesite inspection Complaints and grievances Training and skill development programmes Continuous improvement Time bound plan and uncertified management units 	<ul style="list-style-type: none"> Complaints and grievances on stakeholders Inspection of protected sites with HCV attributes Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone HCV Assessment management plan & implementation Training and skill development programmes Continuous improvement 	<ul style="list-style-type: none"> Interview with workers, safety committee and contractors Facilities at workplace Occupational safety & health practice – witness activities at site Training and skill development programmes Continuous improvement 	
13.00pm	LUNCH BREAK			All
14.00pm	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	Continue assessment	Continue assessment	Continue assessment	Guide(s) for each auditor
16.00 - 18.00pm	Audit team discussion / Debrief meeting with client on issues (if any) / Discussion on potential NCRs / End of Day 4 audit			All

Day 5: 3/12/2021 (Friday)

Time	Activities / areas to be visited			Auditee
8.30am	Overview of current activities at Supply base sites			Respective Scheme Manager
9.00am	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	Raouf (Litang Estate)	Zulfakar (Tagas Estate)	Selva (Litang Estate)	Guide(s) for each auditor
	Site visit and assessment on implementation: <ul style="list-style-type: none"> Laws and regulations Social aspects - SIA, management plan & implementation, workers' quarters. Interview with employees, gender committee, worker representative, union representative, etc Linesite inspection Complaints and grievances Training and skill development programmes Continuous improvement 	Site visit and assessment on implementation: <ul style="list-style-type: none"> Laws and regulations Land Title Social aspects - SIA, management plan & implementation, stakeholders. Interview with local communities, contractors, suppliers. Complaints and grievances on stakeholders Inspection of protected sites with HCV attributes Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone HCV Assessment management plan & 	Site visit and assessment on implementation: <ul style="list-style-type: none"> Plantation on hilly/swampy area IPM implementation, training and safe use of agro-chemicals. New planting Witness activities at site Good agricultural practices Training and skill development programmes Continuous improvement – witness activities at site 	

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	<ul style="list-style-type: none"> Time bound plan and uncertified management units 	<ul style="list-style-type: none"> implementation Training and skill development programmes Continuous improvement 		
12.00pm	LUNCH BREAK / FRIDAY PRAYER			All
14.00pm	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	Continue assessment	Continue assessment	Continue assessment	Guide(s) for each auditor
16.00 - 18.00pm	Audit team discussion / Debrief meeting with client on issues (if any) / Discussion on potential NCRs / End of Day 4 audit			All

Day 6: 4/12/2021 (Saturday)

Time	Activities / areas to be visited			Auditee
8.30am	Overview of current activities at Supply base sites			Respective Scheme Manager
9.00am	To assign each audit team members – site and the P&C requirements			
	Raouf (Litang Estate)	Zulfakar (Litang Estate)	Selva (Litang Estate)	Guide(s) for each auditor
	Site visit and assessment on implementation: <ul style="list-style-type: none"> Laws and regulations Social aspects - SIA, management plan & implementation, workers' quarters. Interview with employees, gender committee, worker representative, union representative, etc Linesite inspection Complaints and grievances Training and skill development programmes Continuous improvement Time bound plan and uncertified management units 	Site visit and assessment on implementation: <ul style="list-style-type: none"> Environmental management – witness activities at site Waste & chemical management HCV Assessment management plan & implementation Training and skill development programmes Continuous improvement Training and skill development programmes Continuous improvement 	Continue assessment on unfinished area: <ul style="list-style-type: none"> Laws and regulations Interview with workers, safety committee and contractors Facilities at workplace Occupational safety & health practice – witness activities at site Training and skill development programmes Continuous improvement 	
12.00 pm	LUNCH BREAK / FRIDAY PRAYER			
2.00 pm	Unfinished assessment area - Verification on outstanding issues for CU, Auditor to inform auditee on the required document / records, Continue Audit Team discussion and preparation of assessment findings.			
4.00pm – 5.00 pm	Discussion and acceptance on assessment findings with Management Representative and visited site Plantation / Scheme Manager Closing meeting at CU (CU to advise the venue for closing meeting) / End of audit			All

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Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS (MYNI 2019 FOR RSPO P&C 2018)

Principle 1: Behave ethically and transparently

Drive ethical business behaviour, build trust and transparency with stakeholders to ensure strong and healthy relationships.

Clause	Indicators	Comply Yes/No	Findings
1.1 The unit of certification provides 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 (C) Documents that are specified in the RSPO P&C are made available to the public.	Yes	Tomanggong CU had continued to implement the communication procedure as had been described and established for estates and mill. Review of records during this audit revealed that since the last audit, there was no request for such information by stakeholders. HSPHB has a website, http://www.hapsengplantations.com.my/index.php which contains brief information about the company's structure, corporate profile, vision and mission, the business they were involved, financial and estates profiles information among others. The following transactions were recorded.
	1.1.2 Information is provided in appropriate languages and accessible to relevant stakeholders.	Yes	The CU continued to maintain stakeholders for contractors, vendors/suppliers, government agencies, schools, local communities, etc. It was noted that Hap Seng Plantations has revised their website, http://www.hapsengplantation.com.my to include all management documents relating to the unit's environmental, social and legal issues demonstrating commitment towards compliance to RSPO criteria via Hap Seng Plantation Sustainability Report.
	1.1.3 (C) Records of requests for information and responses are maintained.	Yes	The estates had identified personnel responsible for complaints. Records of communication were identified and maintained.
	1.1.4 (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.	Yes	The consultation and communication procedures were documented. External and internal communication procedures developed by Hap Seng Plantations for the estates and mill maintained to be followed and available at the audited sites. Regular morning briefings were used by the management to communicate policies, procedures, rules and regulations and other information to its employees. In the case of external communications, they were mainly in the form of correspondence, which were kept in the External Communication File.
	1.1.5 There is a current list of contact and details of stakeholders and their nominated representatives.	Yes	The stakeholder lists for all the units, namely <i>Tomanggong, Litang Estate and Tagas Estates</i> , as well as <i>Tomanggong Palm Oil Mill</i> were all available and sighted during the surveillance audit. The lists were updated in January 2021.
1.2 The unit of	1.2.1 A policy for ethical conduct is in place and implemented in all business	Yes	Tomanggong CU has documented policy to committing on integrity for all their staffs and workers by publishing policy of <i>Code of Conduct and Business Ethics Policy</i> .

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Clause	Indicators	Comply Yes/No	Findings
certification commits to ethical conduct in all business operations and transactions.	operations and transactions, including recruitment and contracts.		
	1.2.2 A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.	Yes	The system in place to monitor compliance and implementation of the Policy and overall business conducts include trainings and internal audits conducted by the Sustainability Team from Agronomist Department. Training for managers, assistant managers and executives which was held for the whole Hap Seng Operation.

Principle 2: Operate legally and respect rights

Implement legal requirements as the basic principles of operation in any jurisdiction.

Clause	Indicators	Comply Yes/No	Findings
2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1 (C) The unit of certification complies with applicable legal requirements.	Yes	Generally, Tomanggong CU had complied to the applicable legal requirements.
	2.1.2 A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.	Yes	Tomanggong CU maintained its mechanism stated in SOP no. 25/6/15 to ensure that all the applicable legal requirements are implemented. The mechanism adopted are as follows: a) Annual evaluation of compliance exercise against the legal register by Sustainability Executive. b) Half-yearly estate visit by The Plantation. c) Discussions were also included in the monthly MCM meeting of higher management the quarterly Managers meeting. d) RSPO Internal audit Reference is also made: <ul style="list-style-type: none"> • News paper • Lawnet • Current law Journal • Circulars from relevant associations (MPOA, MPOB, MAPA)
	2.1.3 Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.	Yes	The perimeter boundary of the estates was visibly maintained by erecting pegs along the boundary. During the site review, boundary stones had been located and visibly maintained (2 in Tomanggong Estate ,3 in Tagas Estate and 5 in Litang), The Estates have maps showing the locations of boundary stones that have been physically located and marked. Inspection of boundary stones/markers/trench at the 3 estates, during the field inspection confirmed that they were clearly marked and maintained.
2.2 All contractors providing operational	2.2.1 A list of contracted parties is maintained.	Yes	List of contractor parties were maintained at Estates and Mill at the Tomanggong CU. These were all maintained and updated accordingly. The list contain details of the stakeholders, addresses and contact details.

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Clause	Indicators	Comply Yes/No	Findings
services and supplying labour and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.	2.2.2 All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/accredited) for migrant workers, service providers and labour contractors, is available.	Yes	In Tomanggong CU there is no contractor involved except for Budge contractor, sterilizer repairing, electrical/Biogas contractor, all their works are done through Hap Seng owned Machinery and materials. For Budge contractor sterilizer repairing, electrical/Biogas, Sighted, there is evidence that agreements with third parties contain clauses on meeting applicable requirements. Evidence of legal due diligence carried out include getting the contractor to sign Addendum where they undertake to comply with rules relating to labour and human rights, company ethics and management practices, and would comply with all laws and regulations relating to anti-bribery, fraud and corruption.
	2.2.3 All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.	Yes	All Minor Job Contract for acknowledgement by hired service contain clauses disallowing child, forced and trafficked labour as verified by audit team.
2.3 All FFB supplies from outside the unit of certification are from legal sources.	2.3.1 (C) For all directly sourced FFB, the mill requires: <ul style="list-style-type: none"> Information on geo-location of FFB origins. Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder One or more supporting documents for claims Valid MPOB license 	Yes	Sighted record at Tomanggong POM for the directly source of FFB in the file Summary of Geo Location for FFB Supplier there is record: <ul style="list-style-type: none"> a) Information on geo-location of FFB origins (latitude longitude) of the Outside Supplier. b) Maps of Location all the Outside FFB Supplier c) Evidence of the ownership status or the right/claim to the land, Sighted their Land Title d) All OCP valid MPOB license
	2.3.2 For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.	Yes	Currently in Tomanggong POM there is no indirectly source of FFB. All FFB are received direct from the suppliers.

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Principle 3: Optimise productivity, efficiency, positive impacts and resilience

Implement plans, procedures and systems for continuous improvement.

Clause	Indicators	Comply Yes/No	Findings
3.1 There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.	3.1.1 (C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.	Yes	Tomanggong CU continued to achieve long term economic and financial viability through documented management plan projected to year 2026. a) Expenditure, general charges, profit and loss covering the period of 2020 to 2026 had been prepared for all the estates as well as the POM and made available to the audit team. b) This plan had also included mature area and also for the forecasted FFB production per hectare for the period 2022 to 2026. c) All the estates had a standard budgeting format. The records were reviewed during the audit. The Business Plan also included a 5-year budget/forecast financial plan (i.e. 2022-2026) with allocation on the following: <ul style="list-style-type: none"> ▪ Crop yielding area / Prime mature ▪ Total mature / Cost/ha ▪ General charges/upkeep/collection/depreciation ▪ CAPEX
	3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available.	Yes	The replanting programme for the next five years had been prepared. Sighted the Long-Range Replanting Programme (LRRP) 2022 to 2032. The program was reviewed once a year and is incorporated in their annual financial budget.
	3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	Yes	Management review for all 3 Estates had been carried out on 09/07/2021, discussed matters related to RSPO/MSPO internal audit results especially and corrective action plan taken based on assessment findings. For reviewing process performance management has carried out internally meeting & during muster call to discuss related crop quality.
3.2 The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable	3.2.1 (C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.	Yes	Plans and impact assessments relating to social and environmental impacts maintained available. The Tomanggong, Tagas and Litang Estate and Tomanggong POM have conducted social assessment titled 'Social Impact Assessment, Management Action Plans and Continuous Improvement Plans' and environmental assessment titled 'Environmental Impact Assessment Management Action Plans and Continuous Improvement Plans'. The SIA & EIA action plan was updated and each of the issues was identified for each of the operating unit.
	3.2.2 As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template.	Yes	The monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template together with palm trace renewal.

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Clause	Indicators	Comply Yes/No	Findings
continuous improvement in key operations.			
3.3 Operating procedures are appropriately documented, consistently implemented and monitored.	3.3.1 (C) Standard Operating Procedures (SOPs) for the unit of certification are in place.	Yes	<i>Tomanggong CU</i> continued to use the established manuals separately for both estates and mill. Relevant SOPs and documentation in place.
	3.3.2 A mechanism to check consistent implementation of procedures is in place.	NO	There are several mechanisms used to check on consistent implementation of procedures. The regular mechanisms used by Tomanggong CU were internal audits conducted by Sustainability Team, PA's visit, Agronomist visits Daily checks by staff & Estate management, internal audits conducted by Sustainability Team. However, it was noted that Item 3.1 Palm Circle & Item 3.2 Inter-row of HSPHB OPAP No.9-UpkeepMature Oil Palms were not complied with. The palm circles in Field T14I on Tomanggong Estate and in Field L11A on Litang Estate were not sprayed clean. Observed weeds around 1 foot of the palm base in Tomanggong Estate. Observed weeds around 1 foot of the palm base and on the back half of the circle on Litang Estate. Thus the Minor NCR STK 01 2021 was issued . Tagas Estate: the inter-rows Field SR04A was observed to be covered with the weed Caladium.
	3.3.3 Records of monitoring and any actions taken are maintained and available.	Yes	Evidence was available that Tomanggong CU was able to demonstrate that it has maintained records of monitoring and action taken. Records of monitoring and the action taken by the 3 Estates visited were maintained and kept for a minimum of 12 months. Monthly Costing monitoring of all activities and Annual Reports on were made available. Records of new workers' recruitment process was also sampled. There is evidence that records of employment, form containing personal details, training, benefits, permit and passports are available and duly maintained in each individual files. Probation period is only applicable to Malaysian workers sampled at Tomanggong Estate. Foreign workers are not subjected to probation periods. Promotion would be recommended based on evaluation of behavior, performance appraisal and current work results. No termination had occurred so this element of the procedure could not be verified during the audit.
3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or	3.4.1 (C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/outgrower scheme, is documented.	N/A	There was no new planting at Tomanggong CU. Thus, this indicator is not applicable.

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Clause	Indicators	Comply Yes/No	Findings
operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.	3.4.2 For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.	Yes	<p>For Tomanggong CU, the SIA and EIA reports separated.</p> <p><u>EIA</u> The latest environment aspect impact assessment was reviewed on 19/8/21 to cover all activities in Tomanggong Groups of certifications including mill and all estates. The main purpose of for this assessment was to evaluate and analyze impact on soil, water, and air associated with the organization activities. Among environment aspects assessed were agrochemical applications, land and water contamination from hazardous material and farm vehicles, human settlement disturbance and abandonment. The environmental aspect and impact (EAI) also cover the upstream activities such as FFB reception until the downstream processes. At the mill, the identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental aspects are air emission from boiler stack, generation of the palm oil mill effluent (POME) and land contamination which related to the management of scheduled wastes and domestic waste. There is no changes were made to the environmental aspects and impacts or current practices which require changes in the environmental action plans. An Environmental Impact Assessment (EIA) Plan has been established with latest update on 18-19/08/2020 by the Sustainability Executive. The Plan therein consists of the Person(s) In Charge and mitigating actions/management plans. A timetable for the monitoring has been established and being addressed accordingly.</p> <p>There were no changes were made to the environmental aspects and impacts or current practices which require changes in the environmental action plans. An Environmental Impact Assessment (EIA) Plan has been established with latest update on 19/8/2021 by the Sustainability Executive. The Plan therein consists of the Person(s) In Charge and mitigating actions/management plans. A timetable for the monitoring has been established and being addressed accordingly. The relevant plans and measures were:</p> <ul style="list-style-type: none"> a) Environmental Improvement Plan 2021 b) Management Action Plan 2021 c) Waste Management Plan 2021 d) Fossil Fuel Management Plan 2021 <p><u>SIA</u> Tomanggong CU maintained its documented SIA titled “Social Impact Assessment, Management Action Plans and Continuous Improvement Plans” first report dated on October 2012, with the latest update on 19 Aug 2021. The assessment had covered operation aspects of plantation and mill. Among the social aspect covered, include employment opportunity, amenities and facilities, PPE and medical for employees, etc. The progress of plans noted reviewed annually. The review conducted with relevant stakeholders through Joint Consultative Committee (JCC) Meeting.</p> <p>The SIA was done with the participation of the affected parties as evidenced from the report reviewed.</p>
	3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.		

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Clause	Indicators	Comply Yes/No	Findings
3.5 A system for managing human resources is in place.	3.5.1 Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.	Yes	Employment procedures which include recruitment, selection and hiring are contained in a document entitled Standard Operating Procedure – Recruitment, Selection, Hiring, Termination, Retirement and Promotion of Workers (Local & Foreign), dated 31/05/2020. For matters related to termination of employment and retirement, these are contained in employment contracts. Clause C of the employment contract states that retirement age for workers is 60. These documents are available to workers and their representatives. Retirement procedure is not applicable to foreign workers.
	3.5.2 Employment procedures are implemented, and records are maintained.	Yes	Based on the sampling of the workers' employment contracts and personal files, there is evidence that the employment procedures on recruitment, selection, hiring, promotion are implemented. Records are also maintained in each worker's individual file. Hiring process begins with newspaper advertisement, employee referrals, review of candidate's resume, job application, shortlisting, reference checks, interview, medical check-up and issuance of offer letter. Promotion would be recommended based on evaluation of behavior, performance appraisal and current work results. No termination had occurred so this element of the procedure could not be verified during the audit.
3.6 An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.	3.6.1 (C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.	Yes	Both the mill/estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following; Change in work process, Revision/changes in legislative requirement, Occurrence of accidents. HIRARC for Tomanggong CU also has been reviewed by yearly basis. Sighted latest review has been conducted in March 2021 (Tomanggong Estate and POM), Aug 2021 on Tagas Estate and on June 2021 on Litang Estate. The policy had been communicated to all levels of the organization through briefings and also displayed prominently in <i>Bahasa Malaysia and English</i> on notice boards at mill and estate office and muster ground. All operations had been risk assessed to identify H&S issues. Mitigation plans and procedures were documented in the HIRARC document and implemented.
	3.6.2 (C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.	Yes	Occupational health and safety (OHS) management plan for all Mill and 3 Estates had been established. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, audiometric test, use of PPE, OSH Committee meetings, etc. Generally, the OSH plans for 2021 were acceptable. Internal Audit for Tomanggong CU had been conducted by Sustainability Department. Other than that, the workplace inspection was done in monthly basis to ensure all H&S plan was done effectively.
3.7 All staff, workers, Scheme Smallholders, outgrowers, and	3.7.1 (C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account	Yes	Formal training programmes for 2021 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors. Year 2021 Training Plan was established in Jan 2021. A training needs identification matrix has been established with target dates for the training to be conducted.

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Clause	Indicators	Comply Yes/No	Findings
contract workers are appropriately trained.	gender-specific needs, and which covers applicable aspects of the RSPO P&C, in a form they understand, and which includes assessments of training.		
	3.7.2 Records of training are maintained, where appropriate on an individual basis.	Yes	Records of Training for 2021 had been established and made available at the CU.
	3.7.3 Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.	Yes	Training on Supply Chain requirements has been conducted in Apr 2021 and Aug 2021 by Senior Assistant to the Mill Assistant, maintenance engineer, assistant mill engineer, admin supervisor, shift supervisor, grader, laboratory assistant, and weighbridge operator. Sighted Also Training to Contractor accordingly.

SUPPLY CHAIN REQUIREMENTS FOR MILLS

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.1	Identity Preserved Module A mill is deemed to be IP is the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO P&C, or against a Group Certification Scheme Certification for the CPO mills is necessary to verify the volumes and sourced of certified FFB entering the mill, the implementation of any processing control as and volume sales of RSPO certified products. If a mill processes certified and uncertified FFB without physically separating them, the inly MB Module is applicable.	Yes	Not applicable since this mill is Mass Balance.

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.2	Mass balance Module A mill is deemed to be MB is the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3 rd party certified supply base.	Yes	Tomanggong POM received certified FFB from own Estates which are Tagas, Tomanggong, Litang Estate and Uncertified FFB from Tabin and Northbank Estate and as well as Surrounding Smallgrower and Small holders. Thus, Tomanggong POM has qualifies for the Mass Balance chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products. Amount of sales as in Table 3 of this report.
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	Yes	Amount of Projection as reported in Table 4 of this report.
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform).	Yes	The mill observed to have met registration and reporting requirements for supply chain through the RSPO Palm Trace. The registration information were: Name: Hap Seng Plantations (River Estate Sdn Bhd – Tomanggong Palm Oil Mill Country: Malaysia. Member Category: Oil Mil Core product: Palm Oil Copy of Shipping Announcement was provided during the audit as evident of compliance to reporting requirement as listed by the standard.

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.5	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organisation's procedures for the implementation of this standard. • The site shall have documented procedures for receiving and processing certified and non-certified FFBs. 	Yes	<p>Tomanggong POM had used their documented procedure title '<i>Standard operating procedures for Supply Chain SOP/COC/001, issue 04, dated 23 August 2012 review on 28 February 2021</i>'. The procedure described the following:</p> <ul style="list-style-type: none"> - Chapter 1: CSFFB, CSPO & CSPK traceability system – chain of custody - Chapter 2: Harvesting and Loading of Fresh Fruit Bunch - Chapter 3: Delivery and Reception of CSFFB, In- house and Non In- house FFB - Chapter 4: Dispatch of CSPO and CSPK from the mill to refinery/ bulk transit installation/ buyer's vessel - Chapter 5: Monitoring of CSPO and CSPK sales - Appendix 1: Weighbridge Tickets and Delivery Notes RSPO (& ISCC) Stamping Procedure <p>The procedure is complete and up to date covering the implementation of all the elements of the supply chain model requirements including receiving and processing certified and non-certified FFBs. Since this is MB mill, there is no problem regarding non-certified FFB. The procedure was kept in file SOP for Supply Chain File.</p> <p>Senior Mill Manager has the overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. Assisted by Sustainability Executive & relevant mill staff such as mill clerk, chief clerk, weighbridge clerk. Interview with sustainability committee member, mill manager, assistant mill manager & weighbridge operator was confirmed they are understood the supply chain requirements.</p>

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.6	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organisation;</p> <ul style="list-style-type: none"> Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. Effectively implements and maintains the standard requirements within its organisation. Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The organisation shall be able to maintain the internal audit records and reports. 	Yes	<p>As describe under para 8.4 SOP for Supply Chain issue no 4 dated 23 August 12 revised on 28 Februari 2021, TPOM refer to flow Chart Internal Audit System which is follow the RSPO Supply Chain Certification Standard requirements.</p> <p>RSPO internal audit was conducted on 22-23/6/21, 13/8/21 and 30/8/21 by the internal audit team. The internal audit has followed the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. There are 0 NCR were raised by auditor. Audit Attendance sheet, audit plan, audit notes, was sighted by auditor.</p>
3.8.7	<p>The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.</p>	Yes	<p>TPOM continue to receive certified FFB from Tagas, Tomanggong, Litang Estate and Uncertified FFB from Tabin and Northbank Estate and as well as Surrounding Smallgrower and Small holders i.e. 6 suppliers. TPOM had shared via email the scanned copies of relevant incoming documents such as FFB consignment note. The following verified samples of incoming related documents were according to TPOM's procedure and RSPO Supply Chain standard requirements. The document sighted were traceable and that the product name (FFB) as well as their RSPO certificate number were clearly stated in the documents.</p>

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.8	<p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single-documents or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documentation and specification documentation):</p> <ul style="list-style-type: none"> a) The name and address of buyer; b) The name and address of the seller c) The leading or shipment/delivery date; d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (IP or MB or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation i) A unique identification number 	Yes	<p>Documented procedures related to purchasing and handling of certified finished products (CPO & PK) were sighted and found adequate. Sample of deliveries document were sighted during the audit and it was found all related information were adequate. Tomanggong POM's RSPO certificate number and product name together with model used were stated in the delivery documents.</p>

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.9	<p>Outsourcing Activities</p> <p>(i) The mill shall not outsource its milling activities. In cases where the mill outsourced activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO SC Certification.</p> <p>(ii) The mill shall ensure the following:</p> <p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that CB has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to the respective operations, systems, and all information, when this is announced in advance.</p>	Yes	<p>Not Applicable since transportation and storage of certified finished products are handled internally. Should there be any additional transporter used in future to carry certified CPO/ PK, TPOM prepared Minor Job Contract for acknowledgement by hired service provider informing on the RSPO SCCS requirements.</p> <p>There are 1 outsource company CPO oil Barges i.e. Hai Heng Enterprise Sdn Bhd (agreement sign on 11/1/2020). The agreement document was available and communication on the RSPO supply chain requirement were communicated to them. There is a clause regarding Supply chain in the 'Addendum to the CPO Transportation Agreement' dated 8/10/2020 of agreement.</p>

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.10	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Yes	List of contractors specifically the transporter which involve in the physical handling of certified materials had been well maintained through the stakeholder listing. Among the details maintained are name, contact no. as well as address of the contractor.
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	Yes	Not applicable - no new contractors appointed for the physical handling of RSPO certified oil palm products. Nonetheless, the PIC was aware on the need to inform CB on those new contractors prior to next audit.
3.8.12	i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.	Yes	TPOM found to have maintained an accurate, complete, up-to-date and accessible records and reports pertaining to their traceability/ supply chain system implementation. Among those sighted are as per listed in para 3.8.5 of this report.
	ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	Yes	Relevant traceability/ supply chain related records such as listed in para 3.8.5 of this report were maintained for minimum period of 3 years as stipulated in Para 5.4 ' <i>Standard operating procedures for Supply Chain SOP/COC/001, issue 04, dated 23 August 2012 review on 28 February 2021</i>
	iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.	Yes	Not applicable as TPOM is certified under Mass Balance Module.
	iv) For Mass Balance Module, the mill: a. shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b. All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to	Yes	Within the audited period of April 2021 to November 2021, TPOM has handled the certified materials in which had been well maintained in their certified material accounting template namely Mass Balance System for Tomanggong Palm Oil Mill, as per Table 3 of this report. Tomanggong POM had continued to keep record and balances of all receipts of RSPO-certified FFBs and deliveries of RSPO-certified CPO and PK on a three-monthly basis in the table ' <i>Mass Balance System for Tomanggong Palm Oil Mill</i> '.

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	conversion ratios stated by RSPO. c. The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.)		
3.8.13	Extraction rate The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.	Yes	Based on nature of their process activity, TPOM conversion factors are based on their Oil Extraction Rate (OER) & Kernel Extraction Rate (KER).
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	Yes	The OER & KER being updated on daily basis, and later consolidated at month-end. This is part of their performance monitoring tool and being recorded in the Daily/Monthly Production Report (Physical Movement).
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.	Yes	Not applicable as TPOM is certified under Mass Balance Module.
3.8.16	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not	Yes	TPOM is one of the main supply chain actors being involved in the FFB milling activity. Dedicated personnel had been assigned to carry out the transactions (announcement) on the IT Platform within the stipulated time frame (ideally not exceeding 3 months after contract completion or within duration as agreed between mill/buyer). Documented procedures related to sales and goods out were sighted and found adequate. The requirement of sales & goods out especially on notation of applicable Supply Chain

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	<p>more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p> <p>ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform</p>		model & Certificate number being complied by indicating in weighbridge dispatch ticket.
3.8.17	<p>Claims</p> <p>The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	Yes	<p>Relevant information on product claim (including applicable SC model and certificate no.) being correctly indicated in the relevant outgoing paperwork e.g PK billing, CPO billing, TPOM weighbridge advice ticket and TPOM palm kernel/ CPO delivery note.</p> <p>TPOM apply RSPO trademark with license no. 1-0098-11-100-00. The trademark being displayed on mill and estate entrance signboard. TPOM complied with the minimum requirement in term of the corporate communications rules as well as Annex 1 (RSPO trademark usage and guidance) of the RSPO Rules on Market Communications and Claims 2019).</p>

Principle 4: Respect community and human rights and deliver benefits

Respect community rights, provide equal opportunities, maximise benefits from engagement and ensure remediation where needed.

Clause	Indicators	Comply Yes/No	Findings
4.1 The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.	4.1.1 (C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders, is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.	Yes	Human Rights policy dated 1/10/16 was found available at Tomanggong CU. There is also a new sustainable Agriculture Policy dated 15 August 2019 sign by CEO contain the clause of prohibiting retaliation against Human Rights Defenders. The policy has been communicated to staffs and workers during morning muster and training on 30/12/20 and 15/6/2021 at TPOM, Litang on 1/10/21, Tomanggong 8/1/2021, Tagas 13/1/2021.
	4.1.2 The unit of certification does not	Yes	There was no evidence that the CU instigate violence or use any form of harassment.

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Clause	Indicators	Comply Yes/No	Findings
	instigate violence or use any form of harassment in their operations.		
4.2 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.	4.2.1 (C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.	Yes	Yes, the open system is available.
	4.2.2 Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.	Yes	Found the system was understood by the affected parties. The procedure for complaint/ grievance resolution was explained to all workers and external stakeholders through management/workers/stakeholders meeting.
	4.2.3 The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.	Yes	Tomanggong CU keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders as evidenced by stakeholders meeting was held in Apr 2021 at Tomanggong POM, Tomanggong Estate, Tagas, Litang (External Stakeholder) at Tomanggong CU.
	4.2.4 The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.	Yes	The system used by the Tomanggong CU in resolving disputes and grievances exists in the procedure called 'Prosedur Melapor Aduan dan Permasalahan' and 'Grievances Procedure – Appendix 1' for staffs and workers. The Mill and Estates within Tomanggong CU each has its own Internal Complaint Form/Book and External Communication/Complaint Form/Book available.
4.3 The unit of certification contributes to local sustainable development as	4.3.1 Contributions to community development that are based on the results of consultation with local communities are demonstrated.	Yes	There is evidence that contributions to community development was provided based on consultations. There is a donation and providing service for free of charge to the surrounding schools, Mosque and Government agencies. The most important thing is 80% of the staff and non-clerical staff are from surrounding villagers which is the main Contributions to community development.

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Clause	Indicators	Comply Yes/No	Findings
agreed by local communities.			
4.4 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.	4.4.1 (C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and/or the actual legal or customary use of the land are available.	Yes	The right to use the land at <i>Tomanggong</i> CU can be demonstrated and not disputed by any party. Assessor sighted that there were clear land ownership documents which is Hap Seng Plantations acquire/buy the land from Sabah State Government in 1895 -1969. Land titles were available in documents. The original copies of the documents however, were kept in Plantation Central Office, Sg. Segama. Copies of land titles for all estates were sighted. All the estates were under the jurisdiction of Kinabatangan District. Document review shows it was confirmed the terms of the land title for all the estates cultivation of an agricultural crop of economic value have been complied. As reported in 4.4.1 of this checklist. it has been verified that the land is now legitimately owned by Tomanggong CU since 1895 -1969 The audit team had confirmed that there were no land issues related to previous owners. The audit team has also interviewed relevant stakeholders such as the Representative from Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, Harus Abadi Sdn Bhd and IOI Plantations From the interviews, it can be concluded that there was no evidence of Any land dispute at Tomanggong CU, hence the evidence required under this clause was not available.
	4.4.2 Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	Yes	
	4.4.2a Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.	Yes	
	4.4.2b Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken.	Yes	
	4.4.2c Evidence that the legal, economic, environmental and social implications of permitting operations	Yes	

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Clause	Indicators	Comply Yes/No	Findings
	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 unit of certification's title, concession or lease on the land.		
	4.4.3 (C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).	Yes	As reported in 4.4.1 of this checklist, it has been verified that the land is legitimately owned by Tomanggong CU. The audit team had confirmed that there were no land issues related to previous owners.
	4.4.4 All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	Yes	There was no land encumbered by customary rights or dispute from any stakeholder at the CU, it was confirmed through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations.
	4.4.5 (C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.	Yes	There was no land encumbered by customary rights or dispute from any stakeholder at the CU, it was confirmed through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations.
	4.4.6 There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.	Yes	There was no land encumbered by customary rights or dispute from any stakeholder at the CU, it was confirmed through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations.
4.5 No new plantings are established on local peoples' land where it can be	4.5.1 (C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.	Yes	Based on Social Impact Assessment (SIA) Report for Tomanggong CU and land title, there was no new plantings are established on local peoples' land. It has been verified that the land is legitimately owned by Tomanggong CU. The audit team had confirmed that there were no land issues related to previous owners and it was confirmed through interviewed with relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation,

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Clause	Indicators	Comply Yes/No	Findings
demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations.
	4.5.2 (C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.	Yes	As reported in 4.4.1 of this checklist, Tomanggong CU has been developed since 1895 -1969, after it was bought from the previous land owner; Sabah Land Development. All the related documentation regarding the land acquisition was kept in PCO and was verified by the auditor. There were no issues regarding land with villagers, local community and neighboring estate. The audit team had also confirmed this through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations.
	4.5.3 Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.	Yes	As reported in 4.4.1 of this checklist, Tomanggong CU has been developed since 1895 -1969, after it was bought from the previous land owner; Sabah Land Development. All the related documentation regarding the land acquisition was kept in PCO and was verified by the auditor. There were no issues regarding land with villagers, local community and neighboring estate. The audit team had also confirmed this through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations
	4.5.4 To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples,	Yes	As reported in 4.4.1 of this checklist, Tomanggong CU has been developed since 1895 -1969, after it was bought from the previous land owner; Sabah Land Development. All the related documentation regarding the land acquisition was kept in PCO and was verified by the auditor. There were no issues regarding land with villagers, local community and neighboring estate. The

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Clause	Indicators	Comply Yes/No	Findings
	the full range of food and water provisioning options are considered. There is transparency of the land allocation process.		audit team had also confirmed this through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations
	4.5.5 Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.	Yes	As reported in 4.4.1 of this checklist, Tomanggong CU has been developed since 1895 -1969, after it was bought from the previous land owner; Sabah Land Development. All the related documentation regarding the land acquisition was kept in PCO and was verified by the auditor. There were no issues regarding land with villagers, local community and neighboring estate. The audit team had also confirmed this through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations
	4.5.6 Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.	Yes	As reported in 4.4.1 of this checklist, Tomanggong CU has been developed since 1895 -1969, after it was bought from the previous land owner; Sabah Land Development. All the related documentation regarding the land acquisition was kept in PCO and was verified by the auditor. There were no issues regarding land with villagers, local community and neighboring estate. The audit team had also confirmed this through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations
	4.5.7 New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.	Yes	As reported in 4.4.1 of this checklist, Tomanggong CU has been developed since 1895 -1969, after it was bought from the previous land owner; Sabah Land Development. All the related documentation regarding the land acquisition was kept in PCO and was verified by the auditor. There were no issues regarding land with villagers, local community and neighboring estate. The audit team had also confirmed this through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations.
4.6 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with thru a documented system that enables	4.6.1 (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.	Yes	Tomanggong CU have a standard procedure for identifying social related issues called "Land Dispute Compensation and Calculation Procedure" and "Procedure For Calculating & Distribution Fair Compensation". The procedures defined details process of how compensation for any issues/disputes related to land, ownership and access to land, and ensures negotiations concerning compensation are dealt with. The procedure ensures that 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.

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Clause	Indicators	Comply Yes/No	Findings
indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	4.6.2 (C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.	Yes	"Land Dispute Compensation and Calculation Procedure" and "Procedure For Calculating & Distribution Fair Compensation" detailed out the procedures for calculating and distributing compensation in a participatory and fair manner. These procedures specify that it would take into account ethnic group, gender differences, etc. A flowchart to the same effect was also sighted. Interviews with the relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations. confirmed that the mechanism for them to express their views are available, and the issues (if any) will be dealt in accordance with this standard requirement. However, the stakeholders have confirmed that there was no existing/known dispute that causing the need for any negotiation resulting in compensation process etc. either in the mill or the estate.
	4.6.3 Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings.	Yes	The requirement of this indicator was not applicable as there is no scheme smallholding at Tomanggong CU.
	4.6.4 The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.	Yes	As mentioned in 4.6.2 above, there were no existing/known issues related to this indicator, hence it was not applied to Tomanggong CU.
4.7 For new planting, where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated	4.7.1 (C) A mutually agreed procedure for identifying people entitled to compensation is in place.	Yes	Tomanggong CU have a standard procedure for identifying social related issues called "Land Dispute Compensation and Calculation Procedure" and "Procedure For Calculating & Distribution Fair Compensation". The procedures defined details process of how compensation for any issues/disputes related to land, ownership and access to land, and ensures negotiations concerning compensation are dealt with. The procedure ensures that 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.
	4.7.2 (C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.	Yes	There was no issue regarding compensation (monetary or otherwise) with villagers, local community and neighboring estate. The audit team has also interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations, from the interviews, it can be concluded that there was no evidence of any land dispute at Tomanggong CU.

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agreements.	4.7.3 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.	Yes	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Tomanggong CU since 1895 -1969. All the related documentation regarding the land acquisition was kept in PCO and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate. The audit team has also interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations. From the interviews, it can be concluded that there was no evidence of any land dispute at Tomanggong CU, Hence the evidence required under this clause was not available.
4.8 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.	4.8.1 Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.	Yes	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Tomanggong CU since 1895 -1969. All the related documentation regarding the land acquisition was kept in PCO and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate. The audit team has also interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations. From the interviews, it can be concluded that there was no evidence of any land dispute at Tomanggong CU, Hence the evidence required under this clause was not available.
	4.8.2 (C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.	Yes	Land conflict is not present in the area of the unit of certification. The audit team has also interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations. From the interviews, it can be concluded that there was no evidence of any land dispute at Tomanggong CU, Hence the evidence required under this clause was not available.
	4.8.3 Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties	Yes	There was no evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations. The audit team has also interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations. From the interviews, it can be concluded that there was no evidence of any land dispute at Tomanggong CU, Hence the evidence required under this clause was not available.

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Clause	Indicators	Comply Yes/No	Findings
	with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4).		
	4.8.4 For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).	Yes	There was no conflict or dispute over the land. It has been further confirmed through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, LPC Plantation, Chin Hock Vui, Koperasi Pembangunan Desa, Harus Abadi Sdn Bhd, Lim Engit Fun and IOI Plantations. From the interviews, it can be concluded that there was no evidence of any land dispute at Tomanggong CU.

Principle 5: Support smallholder inclusion

Include smallholders in RSPO supply chains and improve their livelihoods through fair and transparent partnerships.

Clause	Indicators	Comply Yes/No	Findings
5.1 The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.	5.1.1 Current and previous period prices paid for FFB are publicly available and accessible by smallholders.	Yes	Based on pictorial displayed at TPOM, it was verified that the current and past prices for FFB (year 2020, year 2021 Jan – Oct 2021) is being displayed at the notice board near the Tomanggong POM weighbridge.
	5.1.2 (C) Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders.	Yes	In Tomanggong POM, the price for FFB follows the MPOB Pricing. Hap Seng Management also give allowance to the Smallholder if they send FFB to their mill base on tonnage. Interviews with Harus Abadi Sdn Bhd, First Raintree Sdn Bhd, Bukit Kretam Sdn Bhd, LKM Trading, Lebijaya Sdn Bhd who sent their FFB to TPOM, confirmed that they are happy with the current high price and TPOM price is quite fair in comparison with the outsider Mill (UNICO).
	5.1.3 (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.	Yes	In Tomanggong POM, the price for FFB follows the MPOB Pricing. Hap Seng Management also give allowance to the Smallholder if they send FFB to their mill base on tonnage. Interviews with Harus Abadi Sdn Bhd, First Raintree Sdn Bhd, Bukit Kretam Sdn Bhd, LKM Trading, Lebijaya Sdn Bhd who sent their FFB to TPOM, confirmed that they are happy with the current high price and TPOM price is quite fair in comparison with the outsider Mill (UNICO).
	5.1.4 (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are	Yes	There is an agreement between FFB outsider supplier (Harus Abadi Sdn Bhd, First Raintree Sdn Bhd, Bukit Kretam Sdn Bhd, Casem Sdn Bhd, Sangi Enterprise Sdn Bhd, LKM Trading, Lebijaya Sdn Bhd) with TPOM, the agreement has been signed in June 2016. During interview with FFB Supplier above they stated that they are involved in decision-making processes and understand the contracts including involving finance,

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Clause	Indicators	Comply Yes/No	Findings
	involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.		loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable which is not applicable to them because they are operate by themselves. Hap Seng Management also support smallholder by give them consultation and guidance to certify surrounding smallholder under MSPO and RSPO without cost.
	5.1.5 Contracts are fair, legal and transparent and have an agreed timeframe.	Yes	Interviews were conducted with the transport suppliers they have sent their FFB to TPOM more than 6 years. Their contracts are signed when necessary, and it contains schedule of rates, conditions of contract, event of default, payment terms according to the volume, FFB price, OER price, Specifications FFB, Bonus for Sending FFB. Consultations with FFB Suppliers confirmed that they understand the salient points in the agreement, namely contract duration, rate of payment, their obligations under the contract, etc. They also confirmed that contract entered into are valid, fair and transparent as the terms of payment are being negotiated upon prior to signing. Contract with suppliers were drafted in the English language, which is understood by the suppliers, as verified during interviews.
	5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.	Yes	All contractor confirmed that payments were received within a reasonable timeframe which is 7-10 days after submission of invoice. And receipts contain specifying price, weight, deductions and amount paid are given.
	5.1.7 Weighing equipment is verified by an independent third party on a regular basis (this can be government).	Yes	Weighing Equipment in Tomanggong POM has been calibrated in yearly basis using Metrology Corporation Malaysia Sdn Bhd last in Nov 2021.
	5.1.8 The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.	Yes	Hap Seng Management supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. However Surrounding smallholders and growers are against the idea of ICS they want to certify independently. Hap Seng give support to surrounding smallholders and growers by given them Free Consultation, Free Assessment, and anything related to RSPO and MSPO certification. Until to date surrounding smallholder who are RSPO certified is Spark Glory, Harus Abadi, and LKM Trading. Currently on progress for RSPO and MSPO certification is Lebijaya, Khoo Chin Hung, Bukit Kretam and LPC plantation.
	5.1.9 (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in	Yes	There is a document namely 'Procedure for reporting complaints and grievances (Prosedur Melapor Aduan dan Permasalahan)' and 'Grievances Procedure – Appendix 1' for staffs and workers, Prosedur Aduan and also developed procedure named "Mekanisme Melindungi Pengadu Terhadap Tatacara tidak Wajar (Whistleblower)" to

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Clause	Indicators	Comply Yes/No	Findings
	a timely manner.		protect the complainants. The procedure contains the Whistle Blower Complaint Response where the complainant has the option of remaining anonymous by not revealing his/her identity.
5.2 The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.	5.2.1 The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.	Yes	Hap Seng Management supports Independent Smallholders with certification, they also already consult with interested smallholders (irrespective of type) including women or other partners in their supply base and already assess their needs for support to improve their livelihoods and their interest in RSPO certification. However Surrounding smallholders and growers are against the idea of ICS they want to certify independently. Hap Seng give support to surrounding smallholders and growers by given them Free Consultation, Free Assessment, and anything related to RSPO and MSPO certification. Until to date surrounding smallholder who are RSPO certified is Spark Glory, Harus Abadi, and LKM Trading. Currently on progress for RSPO and MSPO certification is Lebijaya, Khoo Chin Hung, Bukit Kretam and LPC plantation.
	5.2.2 The unit of certification develops and implements smallholder support program to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder).	Yes	Hap Seng Plantations already develops and implements smallholder support program to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies. Hap Seng give support to surrounding smallholders and growers by given them Free Consultation, Free Assessment, and anything related to RSPO and MSPO certification. Until to date surrounding smallholder who are RSPO certified is Spark Glory, Harus Abadi, and LKM Trading. Currently on progress for RSPO and MSPO certification is Lebijaya, Khoo Chin Hung, Bukit Kretam and LPC plantation.
	5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.	Yes	Hap Seng give support to surrounding smallholders and growers to promote legality of their FFB production by given them Free Consultation, Free Assessment, and anything related to RSPO and MSPO certification. Until to date surrounding smallholder who are RSPO certified is Spark Glory, Harus Abadi, and LKM Trading. Currently in progress for RSPO and MSPO certification is Lebijaya, Khoo Chin Hung, Bukit Kretam and LPC plantation.
	5.2.4 (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling.	Yes	Hap Seng give support to surrounding smallholders and growers to certify under RSPO by given them Free Consultation, Free Assessment, and anything related to RSPO and MSPO certification. Sighted also training on Pesticide handlings has been given to surrounding Smallholder and Small grower at Lebijaya on 11/12/20, Khoo Chin Hung on 11/1/21, LPC on 14/12/20, Bukit Kretam on 20/1/21, Harus Abadi on 4/2/21 Spark Glory on 7/2/21 and LKM on 5/1/21 Until to date surrounding smallholder who are RSPO certified is Spark Glory, Harus Abadi, and LKM Trading. Currently on progress for RSPO and MSPO certification is Lebijaya, Khoo Chin Hung, Bukit Kretam and LPC plantation.
	5.2.5 The unit of certification regularly reviews and publicly reports on the progress of the smallholder support	Yes	Currently Hap Seng Plantations Management has created a system to trace their stakeholder around their estate. Hap Seng Plantations also regularly reviews and publicly reports on the progress of the smallholder support programme as per see in the Hap

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Clause	Indicators	Comply Yes/No	Findings
	programme.		Seng Plantation Holdings Berhad 2019 ACOP report in the clause G.4.4.1. As of todate surrounding smallholder who are RSPO certified is Spark Glory, Harus Abadi, and LKM Trading.

Principle 6: Respect workers' rights and conditions

Protect workers' rights and ensure safe and decent working conditions.

Clause	Indicators	Comply Yes/No	Findings
6.1 Any form of discrimination is prohibited.	6.1.1 (C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.	Yes	The Equal Opportunity Policy is publicly available in the estates and POM. 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. This policy is posted on notice boards in Bahasa Malaysia and English for the understanding of the public and workers.
	6.1.2 (C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for migrant workers.	Yes	Based on documentation reviewed such as employment contracts and letters of offer, pay slips, allocation of housing at the linesite and audit interviews, there is no evidence that local and foreign workers, women and local communities have been discriminated against. Interviews conducted with workers (male, female, local and migrant) as well as local communities also confirmed that this is so. There is also no evidence of payment of recruitment fees by migrant workers. Based on interviews with the estate and mill management including documentation review (interview assessment and medical report), recruitment selection, hiring and promotion are based on suitable job vacancies, experience, qualification/skill and medical fitness appropriate for the job. Interview of candidates will be done by HQ where an evaluation form is filled up to determine the suitability of the candidate. These documents are contained in the workers' personal files. As stipulated in the <i>SOP – Recruitment, Selection, Hiring, Termination, Retirement and Promotion of Workers (local & Foreign)</i> , the recruitment selection, hiring and promotion where relevant are based on availability, skills, capabilities, qualities, and medical fitness necessary for the jobs.
	6.1.3 The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness	Yes	As of the date of the audit, there is no pregnant worker at Tomanggong CU. As confirmed by the worker during interview, there is no evidence that pregnancy testing was carried out in a discriminatory manner. Pregnancy test was done on her own free will. During interview it was confirmed that if they require contact with chemicals, they will allocate to

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Clause	Indicators	Comply Yes/No	Findings
	necessary for the jobs available.		other light works. There is no evidence that pregnancy tests are being conducted as a discriminatory measure. Pregnancy test is required to determine for Foreign Workers' Medical Examination (FOMEMA). Pregnancy test was done on her own free will.
	6.1.4 Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.	Yes	The gender committees throughout the Tomanggong CU are known as the 'Persatuan Wanita'. Membership comprises female employees and the employees' wives. Based on interviews of the committee members and review of meeting minutes, the committees' main activities are to provide awareness to its members on issues of concern. Meetings are generally held once a year. It was noted that the committee had discussed the following matters: <ul style="list-style-type: none"> ▪ training on women's rights; ▪ counselling for women affected by violence; ▪ child care facilities to be provided by the growers and millers; ▪ women to be allowed to breastfeed up to nine months before resuming chemical spraying or ▪ usage tasks; and ▪ women to be given specific break times to enable effective breastfeeding.
	6.1.5 (C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.	Yes	The Hap Seng Plantations Equal Opportunity Policy is publicly available at the offices of the Tomanggong, Tagas and Litang Estate and Tomanggong POM. This Policy states Hap Seng Plantations Policy on equal opportunity in all aspects of its employment including recruitment, training and promotion. The Policy identifies under-represented groups where they are encouraged to apply for training and employment opportunities with the Company, and that where possible, special training will be provided for such groups to prepare them to compete on equal terms for jobs and promotion. Comparisons were made of sampled employment contracts and payslips of general workers from local and general workers from Indonesia. Evidence is available that sampled workers receive equal pay for equal work.
	6.1.6 There is evidence of equal pay for the same work scope.	Yes	The Equal Opportunity Policy is publicly available in the estates and POM. 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. This policy is posted on notice boards in Bahasa Malaysia and English for the understanding of the public and workers.
6.2 Pay and conditions for staff and workers and for contract	6.2.1 (C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national	Yes	Pay and conditions are documented and made available during the surveillance audit. These are contained in the workers' payslips and employment contracts. Pay slips were sighted and are provided to workers on a monthly basis as confirmed during interview with management. Pay slips for Mill and Estate field workers show breakdown for all work

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Clause	Indicators	Comply Yes/No	Findings
workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).	languages (English or Bahasa Malaysia) and explained to them in language they understand.		done such as allowances received, deductions, no. of days worked and for the Mill, any overtime hours performed. It was also verified that workers are being paid in accordance with the requirements stipulated under the Minimum Wages (Amendment) Order 2020 (from January 2020 onwards) and the Sabah Labour Ordinance. Documentation of pay are available in the form of monthly pay slips, and conditions of pay are contained in employment contracts and letters of employment offer. Copies of these documents are provided to the workers. Briefing on relevant provisions on the Sabah Labor Ordinance on their rights under the employment contract such as public holidays, paid annual leave, paid maternity leave, final repatriation costs to be paid by employer, and termination of contract.
	6.2.2 (C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.	Yes	Details of payment and conditions of employment are contained in employment agreements. These cover working hours, deductions, overtime, medical, maternity leave, annual leaves, dismissal, period of notice, etc. There is also evidence that the contracts agreement is 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. During interviews of workers (both local and foreigners) at the Tomanggong, Tagas and Litang Estate and Tomanggong POM comprising sprayers/manurers and harvesters, general workers and Mill workers, they generally understand the contents of the employment agreements. Audit team has sampled contracts of employment workers at Tomanggong CU as per evidences in the indicator 6.2.1. Based on the above, Tomanggong CU has demonstrated that employment contracts signed with workers are in compliance with the Sabah Labour Ordinance.
	6.2.3 (C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.	Yes	There is evidence that workers observe regular working hours including overtime hours within the legal confines of the Sabah Labor Ordinance. This was verified from the mill/estate workers' employment contracts, punch cards, checkroll book and interviews with the workers themselves. They are also entitled to at least 30 minutes' rest after 5 hours of work.

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Clause	Indicators	Comply Yes/No	Findings
	6.2.4 (C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure.	Yes	Evidence is available that the Tomanggong CU provide adequate housing and facilities to its employees in accordance with the requirements of the Workers' Minimum Standard of Housing and Amenities Act 1990. Houses are provided rent free. Each house has between 2 to 3 rooms and accommodate between 2 to 5 workers. Foreign workers are provided with accommodation as stated in their employment contracts. Local workers too are offered accommodation, but those who are within the local communities prefer to live outside the estate/mill premises. Among the available amenities include football fields, badminton/takraw/volleyball court, children's playground, places of worship, sundry shops and an activity hall. There is evidence that housing inspection are being carried out once a week based on housing inspection records. Records of housing inspections was sighted and available. Mill and estates done the weekly inspection as required. Checklist of the inspection has been verified. Water and electricity are also provided, and the bills are shared among occupants and deducted from their wages. Free medical treatment above is provided also to all workers and their dependents. The upkeep (sanitation) for all estates linesite visited were observed in good maintained. No water clogging at all. The estates in Tomanggong CU provided with treated water by water treatment plant and water sampling test was carried out 2 times annually for drinking water for human consumption. Clinic currently sharing with Tomanggong POM, Tomanggong Estate, Tagas Estate and Litang Estate.
	6.2.5 The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.	Yes	Tomanggong CU was able to demonstrate that efforts are taken to improve workers' access to adequate, sufficient and affordable food. Tomanggong CU have their own canteen/grocery store which sells items such as eggs, flour, rice, vegetables, frozen food such as fish, meat, onions, etc. Items seen in the stores are adequate, clearly labelled and within the expiry dates. Prices of certain basic items are monitored regularly by the management. The audit team visited Sundry Shop (Yung Ah Lok) at Tomanggong Estate & Tagas Estate and sighted where price lists were updated once in a month with latest date in Apr 2021. Workers interviewed informed that the items sold are adequate and reasonably priced considering the distance to the nearest shop. Items purchased can be either paid in cash or on credit.
	6.2.6 A "DLW" is paid to all workers, including those on piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours. PROCEDURAL NOTE: A written policy with specific implementation plan, committing to payment of a "decent living wage" is in	Yes	All sampled workers receive at least minimum wages based on Minimum Wages Order Amendmend 2020. Tomanggong CU had calculated the prevailing wages and in-kind benefits for their workers. The calculation included housing, electricity, water, transport to work, sports and recreation facilities, education, childcare and healthcare. The auditor had verified the calculation and though the calculation was in line with RSPO Guidance on Calculation Prevailing Wages.

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Clause	Indicators	Comply Yes/No	Findings
	<p>place.</p> <p>The implementation plan with specific targets, and a phased implementation process will be in place, including the following:</p> <ul style="list-style-type: none"> • An assessment is conducted to determine prevailing wages and in-kind benefits already being provided to workers. • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent basket of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment. • The unit of certification may choose to implement the “living wage” payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before an eventual scale-up of the living wage implementation <p>Until such time where the Malaysian version of “decent living wage” has been endorsed by RSPO and implemented by the unit of certification, the Malaysian minimum wage has to be paid.</p>		
	6.2.7 Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.	Yes	All the estates and mill employ full-time employees. Foreign workers are full-time employees but have a contractual duration which is stipulated in their employment contracts which is 2 years for Indonesian. This contract duration can be mutually extended subject to the annual work permit from the Malaysian Immigration Department.
6.3 The unit of certification respects the rights of all	6.3.1 (C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa	Yes	<p>Tomanggong Group subscribes to the documented policy on Freedom of Association and Right to Collective Bargaining, signed on 1 March 2019.</p> <p>a) This Policy is available in dual language, i.e. Bahasa Malaysia and English and it recognizes and respects of employees to join trade union of their choice and to</p>

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Clause	Indicators	Comply Yes/No	Findings
personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.		<p>b) bargain collectively subject to the provisions of relevant national legislations.</p> <p>b) Employment contracts sighted do not contain any prohibitive clause from joining any trade unions.</p> <p>c) Additionally, the Company was also committed under its own Sustainable Agriculture Policy, signed on 15th August 2019, with paragraph on “Respect and Recognize the Rights of All Workers (Child Labor, Forced and Bonded Labor, OSH, Employment Contract, Freedom of Associations and Right to Collective Bargaining, equal employment opportunities, minimum income standard, working hours, record keeping, access to education, whistle-blowing, business integrity, grievance redress procedure)”.</p> <p>d) The languages used in both Policies were English and Bahasa Malaysia. This was appropriate for workers as most were Malaysians and Indonesians whose main language was Bahasa Melayu.</p> <p>The Policy on Freedom of Association and Right to Collective Bargaining is available in bilingual (Malay and English). The policy is posted at the Tomanggong, Tagas and Litang Estate and Tomanggong POM notice board and information wall. Interviews with workers they are aware of their workers’ representatives.</p>
	6.3.2 Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.	Yes	There are no trade unions at Tomanggong CU, but the workers’ welfare and social committees have been established at every unit. The committee comprise management and worker representatives. Evidence is available that management holds regular meetings with the workers’ welfare and social committees.
	6.3.3 Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.	Yes	Evidence is available that all worker representatives were freely appointed by the workers as confirmed by the workers’ representatives themselves as confirmed by a head carpenter for Tomannong Estate, mandore harvesting for Tagas Estate, mandore harvesting for Litang Estate and Iman Masjid (Mohd Dong) for TPOM.
6.4 Children are not employed or exploited.	6.4.1 A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.	Yes	The policy on non-employment of children is contained in Sustainable Agriculture Policy, which contains a paragraph on “Respect and Recognize the Rights of All Workers (Child Labor, Forced and Bonded Labor, OSH, Employment Contract, Freedom of Associations and Right to Collective Bargaining, equal employment opportunities, minimum income standard, working hours, record keeping, access to education, whistle-blowing, business integrity, grievance redress procedure)”. There was no evidence that the estates and the mill employ anyone below the age of 18 years. The youngest workers in the Estate and mill are 20 and 19 years old. This was verified by examining the master lists of workers. Interviews with workers and staffs, as well as observations made during field visits show that those employed are 18 years and above.

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Clause	Indicators	Comply Yes/No	Findings
	6.4.2 (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.	Yes	There was no evidence that the estates and mill employed anyone below the age of 18 years. Auditor also has verified contractor workers in the estate and mill. This was verified by examining the master lists, personal file, contracts and payslip of each operating unit where details of the workers' IC numbers, passport and dates of birth are available. Interviews with workers and staff, as well as observations made during field visits confirm that only those above 18 are employed. Internal external details workers age screening verification and procedure. Stakeholder interview and documentation verified on the Employee Master List confirmed that all the workers employed were above 18 years old. During site visit also confirmed that no child labour work in the Tomanggong CU. There also have a documented age screening verification procedure.
	6.4.3 (C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.	Yes	Based on documents sighted, interviews and observations, there was no evidence that the Estates and the Mill employ anyone below the age of 18 years. This was verified by examining the master lists of each operating unit where details of the workers' particulars and dates of birth are available. Interviews with workers and staff, as well as observations made during field visits confirm that only those above 18 are employed.
	6.4.4 The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.	Yes	Communication demonstrated as per stakeholder interview and records of stakeholder meeting sighted. Latest external stakeholder meeting conducted at Tomanggong CU involved relevant stakeholders such as government authorities, school's representatives, contractors, internal workers and etc. were briefed on all the RSPO principles and criteria.
6.5 There is no harassment or abuse in the workplace, and reproductive rights are protected.	6.5.1 (C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.	Yes	Tomanggong CU subscribes to the Company's Policy entitled Policy of Sexual Harassment, Violence & Abuse Policy issued in November 2017. a) Additionally, the company also has a Guideline and Procedure Sexual Harassment issued on 2 April 2018 which was prepared in Bahasa Malaysia and English. A copy each was distributed to all Gender Committee members. b) This document contains guarantees of protection against acts of sexual harassment and violence, definitions and complaints procedures. The Company also has a documented SOP for making complaints regarding sexual harassment and violence and abuse. c) The document is entitled Guidelines/Procedure in Lodging Complaints – Sexual Harassment, Violence and Abuse.
	6.5.2 (C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.	Yes	The Company also has a documented Reproductive Rights Policy signed by the Chief Executive – Group Plantations which specifies that the policy aims to improve the health and well-being of nursing mothers and new-born babies, to reduce sexually transmitted diseases, including HIV, and other reproductive related diseases, that the company

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Clause	Indicators	Comply Yes/No	Findings
			<p>respects the reproductive rights of women in accordance with national legislation.</p> <p>a) Female employees have been briefed on their reproductive rights, maternity benefits entitled to them, and requirement that women working with chemicals should inform the company if they are pregnant, so they are allocated to other work.</p> <p>b) The policy documents were sighted at the notice board at the Mill and all Estates and briefed to the female workers during Gender Committee meetings. Interviews held with female employees (in the field and at the office) confirmed their understanding of their reproductive rights, including the rights to be transferred to another job if pregnant and not to deal with chemicals.</p>
	6.5.3 Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.	Yes	During this audit, no new mothers were available to verify the Indicator. However, based on interviews held with other female workers who had given birth before, their needs have been taken into account such as providing a private place for expressing milk and access to a fridge for storage, and permission granted enabling them to go home to breastfeed their babies.
	6.5.4 A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.	Yes	The company also has a Guideline and Procedure Sexual Harassment issued on 2 April 2018 which was prepared in Bahasa Malaysia and English, and a copy each was distributed to all Gender Committee members. This document contains guarantees of protection against acts of sexual harassment and violence, definitions and complaints procedures. The Company also has a documented SOP for making complaints regarding sexual harassment and violence and abuse. The document is entitled Guidelines/Procedure in <i>Lodging Complaints – Sexual Harassment, Violence and Abuse</i> . All the mechanism is implemented and communicated via Morning Muster, JCC Meeting and Gender Committee.
6.6 No forms of forced or trafficked labour are used.	<p>6.6.1 (C) All workers have entered into employment voluntarily, and the following are prohibited:</p> <ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty to the workers for termination of 	Yes	<p>All workers in the Tomanggong CU have entered into employment voluntarily, it was verified during the interview with local and Indonesian workers. The workers had been informed that they will work in Oil Palm Sector before applying this job.</p> <p>Migrant workers are given the option of either keeping their own passport or keeping the passports in the office safe box. Workers also confirmed there is no involuntary overtime as they will work for overtime if management ask to. They also understand their contract which is if they want to resign, prior to 8 weeks of notice, they will not have debt of bondage.</p>

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Clause	Indicators	Comply Yes/No	Findings
	<p>employment</p> <ul style="list-style-type: none"> • Debt bondage • Withholding of wages 		
	6.6.2 (C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.	Yes	<p>The Company has a documented Labour Policy for temporary or migrant Workers signed by the Chief Executive – Group Plantations which states a commitment to non-discrimination, no contract substitution, post arrival orientation program (which includes briefing on language, safety, labour laws, cultural practices, etc) and provision of decent living conditions for foreign workers.</p> <p>A special labour policy for employment of foreign workers mentioned that all employees should be treated fairly in terms of recruitment, terms and conditions of work, provide decent living, no contract substitution and post arrival programme will be conducted once arrived for three months. The CU maintained its specific procedure / flowchart for employment of foreign workers titled 'Sourcing Process for Foreign Workers'. The procedure has been implemented for any employment related with foreign workers.</p> <p>Based on observations and interviews of foreign workers (harvesters, sprayers, mill workers), there is no evidence of contract substitution and no discriminatory practices against foreign workers. A post-arrival briefing is also given, in particular on the contents of their employment contracts, safety, benefits, etc.</p>
6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to health.	6.7.1 (C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.	Yes	Tomanggong CU had identified persons responsible for Health & Safety and appointment letters were made available to auditors. The Managers subsequently assigned duties of ESH coordinator to the Assistants for the down line implementation of ESH practices in the estates. Similar appointment was made for all the estates and the mill. All identified Executives were officially given a letter for such an appointment. All estates and the mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. Samples Minutes of meetings held by the mill and estates were verified.
	6.7.2 Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and	Yes	Accident and emergency procedures are available in adherence to the HSPHB policy on 'Emergency Response' plan—updated Jan 2021. Procedures were formed for all the above identified incidences. The organization chart for the ERP team was established and displayed for information of the employees. The important telephone contact numbers were also provided therein. ER Team members were given training in emergency procedures appropriate to their respective workplace and degree of risk. The trainings are conducted by an accredited or qualified organisation who can demonstrate their suitability to provide training.

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Clause	Indicators	Comply Yes/No	Findings
	periodically reviewed.		
	6.7.3 (C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.	Yes	All staff and workers, storekeepers, harvesters and sprayers/manurers, were continuously trained in safe working practices including SOP for the use of PPE related to their job function. Random interviews conducted confirmed that they had understood the hazards involved and the usage and handling of chemicals in a safe manner. Appropriate PPE were given free of charge to employees of estate and mill visited. Sighted PPE issuance to all workers have been recorded in the "PPE Personal Record".
	6.7.4 All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.	Yes	The CU continued to provide medical facilities. For all 3 Estates, Tomanggong, Tagas & Litang, a centralized clinic was provided by the management at Tomanggong Estate. The more serious cases are referred to <i>Hospital Lahad Datu</i> which is about 64km from the complex. Both Local & Foreign Workers were being covered by SOCSO.
	6.7.5 Occupational injuries are recorded using Lost Time Accident (LTA) metrics.	Yes	<p>Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA (Lost Man day MC). This is summarized officially in the JKKP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKKP 8 a mandatory requirement for submission to DOSH on 15/01/2021 on Tomanggong Estate, on 13/01/2021 (Tagas Estate) and on 20/01/2021 on Litang Estate and Tomanggong POM on 15/1/2021. Cases if any are reviewed during safety meetings.</p> <p>Accident statistics was reviewed during Health and Safety committee meeting & through OSH committee investigations. It was evident in the minutes of the meeting.</p> <p>Where required submissions of JKKP 6, & 8 to DOSH were complied with under the legislative requirement. Investigations and revision of HIRARC where appropriate were made accordingly.</p>

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Principle 7: Protect, conserve and enhance ecosystems and the environment

Protect the environment, conserve biodiversity and ensure sustainable management of natural resources.

Clause	Indicators	Comply Yes/No	Findings
7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	7.1.1 (C) IPM plans are implemented and monitored to ensure effective pest control.	Yes	Tomanggong CU continued to implement Integrated Pest Management (IPM) in all 3 Estates. All estates continued to manage pests, disease, weeds and invasive introduced species using the appropriate IPM techniques it is guided by the OPAP Chapter 10 – Pests and Diseases revised on January 2016. The IPM plan which was reviewed on 19/08/2021 is in the Continuous Improvement Plan. The IPM program among others included: a) Pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. b) For bagworm control the program included the planting of beneficial plants such as Cassia cobanensis, Antigonon leptopus and Turnera subulata c) Control of Rhinoceros beetles was by using pheromone traps. In order to minimize use of pesticides the estates had planted beneficial plants mainly Tunera subulata, Cassia cobanensis and Antigonon leptopus with maps indicating areas planted. EFB was applied in single layers to prevent breeding of Rhinoceros Beetles. Rat baiting was done on calendar basis twice a year. However, immediately baiting was carried out if rat damage on FFB crop was found to be above threshold level of 2%.
	7.1.2 Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.	Yes	Antigonon leptopus, an invasive species, was planted as per Agronomic recommendation at 1 Decameter per Ha i.e. 20% of total Beneficial Plants. The planting of this species for control of Bag Worm attack which is a common practice in the industry.
	7.1.3 There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with prior approval of government authorities.	Yes	HSPHB had a Zero Burning Policy (A strict Zero Burning Policy is practiced for all operations) in the Sustainability Agricultural Policy under Item 1: No Deforestation, Environment & Biodiversity. Furthermore, there had been no pest outbreaks to warrant the use of fire.
7.2 Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.	7.2.1 (C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritized.	Yes	In all 3 Estates in Tomanggong CU, justification of all pesticides used had been demonstrated. Selective products and application methods that are specific to the target pest, weed and disease had been prioritized. The justification are in the following SOPs: <ul style="list-style-type: none"> • OPAP 5 Establishment and Maintenance of Legume Covers, • OPAP 8 Upkeep Immature Oil Palm, • OPAP 9 Upkeep of Mature Oil Palm • OPAP 10 Pests and Diseases Written justifications were provided for various fields operations. The manual included a

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Clause	Indicators	Comply Yes/No	Findings
			chemical register list which indicates the purpose of usage (intended target), hazards signage, trade and generic names as well as the specific targets and the correct dosage of agrochemicals to be used. All chemicals usage was based on the “need to do basis” to enhance field operations. It was also found that no Class IA & IB chemicals used in the estate since 2013.
	7.2.2 (C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.	Yes	All 3 Estates had maintained records to show the types of pesticides used with active ingredients, their LD50, where these pesticides had been used, the total quantity, number of applications and active ingredients (ai) per Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register and in progress reports. Records of pesticides used were available for verification.
	7.2.3 (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.	Yes	As part of the IPM plans, management of Tagas Estate had established a nursery for beneficial plants (<i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subulata</i>) for continuous planting in all 3 Estates. Planting of beneficial plants was to attract natural predators and to reduce use of insecticides for the control of leaf eating pest. Tagas estate also supplied these beneficial plants to Tomanggong and Litang Estates. Grass cutting of harvesting paths where possible and along road side had be introduced to minimise the usage of pesticides. During visits to the fields planting of the beneficial plant has been made guided at a ratio of 1 dm: 1 ha following sequence of CAT (60:20:20). For the control of Rhinoceros Beetles, Tomanggong CU had advocated and practiced the use of pheromones traps and hand picking of their larvae.
	7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.	Yes	All 3 Estates visited had not practiced prophylactic use of chemical pesticides. The Estates had only carried out prophylactic spraying of the fungus, <i>Metharhizium anisopliae</i> on shredded palms after 4 – 6 months from felling to prevent breeding of Oryctes (Rhinoceros Beetles). Records and site visits also showed that pheromone traps were used for control of these beetles.
	7.2.5 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, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to:	Yes	All estates only used pesticides that are officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision Pesticides Act 1974 (Act 149) (Section 53A); and in accordance with USECHH Regulations (2000). There was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, had been used. The chemical lists on all 3 estates indicated that none of these chemicals had been used. The use of paraquat was banned in all HSPHB Estates. Most pesticides used were class III & class IV. All the 3 estates confined usage of pesticides which are were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A) and in accordance with USECHH Regulations 2000.
	7.2.5a Judgment of the threat and verify why this is a major threat.	Yes	a) The review of the chemical register concluded that all pesticides used were of class II, III & class IV. The use of <i>paraquat</i> had been prohibited in all HSPHB estates.
	7.2.5b Why there is no other alternative	Yes	b) There was no evidence of pesticides that are categorized as World Health

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Clause	Indicators	Comply Yes/No	Findings																																				
	which can be used.		<p>Organization Class 1A or 1B, or that were listed by the Stockholm or Rotterdam Conventions been used.</p> <p>Some of the chemicals used in the estate captured from the chemical registers as listed below;</p> <table><tr><td></td><td>Chemical name</td><td>Class</td><td></td><td>Chemical name</td><td>Class</td></tr><tr><td>1</td><td>Glyphosate isopropylamine</td><td>III</td><td>6</td><td>Cypermethrin</td><td>III</td></tr><tr><td>2</td><td>Sodium chlorate</td><td>III</td><td>7</td><td>Triclopyr butoxy e/ester</td><td>III</td></tr><tr><td>3</td><td>Glufosinate ammonium</td><td>III</td><td>8</td><td>Canyon 20G</td><td>IV</td></tr><tr><td>4</td><td>Triclopyr butoxy</td><td>III</td><td>9</td><td>Amine 2.4 D</td><td>II</td></tr><tr><td>5</td><td>Metsulfuron methy 20% w/w</td><td>III</td><td>10</td><td>Bayfolan</td><td>III</td></tr></table>		Chemical name	Class		Chemical name	Class	1	Glyphosate isopropylamine	III	6	Cypermethrin	III	2	Sodium chlorate	III	7	Triclopyr butoxy e/ester	III	3	Glufosinate ammonium	III	8	Canyon 20G	IV	4	Triclopyr butoxy	III	9	Amine 2.4 D	II	5	Metsulfuron methy 20% w/w	III	10	Bayfolan	III
	Chemical name	Class			Chemical name	Class																																	
1	Glyphosate isopropylamine	III		6	Cypermethrin	III																																	
2	Sodium chlorate	III		7	Triclopyr butoxy e/ester	III																																	
3	Glufosinate ammonium	III		8	Canyon 20G	IV																																	
4	Triclopyr butoxy	III	9	Amine 2.4 D	II																																		
5	Metsulfuron methy 20% w/w	III	10	Bayfolan	III																																		
	7.2.5c Which process was applied to verify why there is no other less hazardous alternative.	Yes																																					
	7.2.5d What is the process to limit the negative impacts of the application.	Yes																																					
	7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.	Yes																																					
	7.2.6 (C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.	Yes																																					
	7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices.	Yes	<p>The storage of pesticides at Tomanggong CU was 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) and Regulations. The chemical and fertiliser stores (with cemented floors and roofing) are locked & handled only by authorized personnel i.e. storekeeper. Class 1 and Class II chemicals were stored in locked cupboards inside the locked stores. The stores in estates and mill were ventilated (equipped with exhaust fans). All the chemicals were arranged/segregated according to the type. During site visit at the chemical and fertilizer stores in the 3 Estates, Tomanggong, Tagas & Litang, relevant SDS had been well displayed. Adequate safety signage has been placed at both internal and external of the building. A proper premixing area with eye wash facilities and bathing area is available near to the chemical stores. The wastewater from the washing of empty chemical containers and PPE, and chemical mixing was reused for chemical mixing. This was to avoid any contamination of chemicals to the ground. Triple rinsing activities continued to be implemented for empty pesticide containers. The detailed procedure for this purpose is available in SOP for Scheduled Wastes Management and SOP for Triple Rinsing.</p>																																				

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Clause	Indicators	Comply Yes/No	Findings
	7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.	Yes	On all 3 Estates Empty pesticide containers were triple rinsed, punctured and stored in the scheduled waste stores before being disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. Inventory and consignment documents verified for confirmation of proper mgmt. and disposal. Records showed that the empty pesticide containers were disposed by a DOE licensed contractor.
	7.2.9 (C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.	Yes	Aerial spraying was not practiced by all the estates. There was no evidence to show that aerial spraying was carried out on all 3 estates in Tomanggong CU. This was also confirmed by interviewed staff and workers.
	7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.	Yes	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, had been demonstrated on Tomanggong CU. Records showed that medical surveillance and audiometric test had been carried out for employees handling chemical and those working in a noisy environment by OHD of Chong Clinic, Tawau. All employees examined were found fit.
	7.2.11 (C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.	Yes	On all 3 Estates there was no evidence to show that work with pesticides had been offered to persons under the age of 18, pregnant or breastfeeding women or other people who had medical restrictions, at time of visit. Spraying activity was observed in field T14G on Temanggong Estate, and field S01E on Tagas Estate and in Field L11A on Litang Estate. The Estate had complied with Section 3 c "cause or permit a female worker who is pregnant or lactating to use or handle highly pesticides", Regulation 'Prohibition' of the Pesticide Act (Highly Toxic Pesticide) Regulation 1996. HSPHB also had a policy of recruiting workers 18 years old and above.
7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.	7.3.1 A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.	Yes	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution during routine operation. On the monitoring of water and effluent discharge, monthly and quarterly report for final discharge were submitted to DOE timely, as required by the written approval. Effluent quality monitoring was also done on a monthly basis, with samples taken at final discharge point and sent for analysis. Results of laboratory showed that the discharges were within permissible limits. In estates, domestic waste from the housing area is well managed and all domestic wastes are disposed at landfill sited in the estate area. Sighted the there is no practice of open fires

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Clause	Indicators	Comply Yes/No	Findings		
			within all estates. Monitoring is done weekly in both domestic waste collection areas and in landfill sites. Among the waste been identified were		
			Waste	Category	Continuous Improvement Plan
			Organic waste	Solid/liquid	Septic tank provided at each household Proper drainage system are in Place to control the runoff of organic matter.
			Domestic Waste	Solid/Liquid	Scheduled waste & recycled waste are segregated before dispose to landfill area
			Scheduled waste	Solid/liquid	Disposed as SW by authorized contractor every 6 monthly basis.
	POME	Liquid	Land irrigation		
	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.	Yes	Empty containers were tripled rinsed, pierced and delivered to the SW collector. Domestic wastes are individually collected and delivered to the estates respective landfill. Collection at interval of 2-3x/week. SW has been disposed to an authorized vendor accordingly.		
	7.3.3 The unit of certification does not use open fire for waste disposal.	Yes	No sign of used of fire for waste disposal sighted during site visit. Currently the disposal of domestic waste in the landfill area.		
7.4 Practices maintain soil fertility at, or where improve soil fertility to, a level that ensures optimal and sustained yield.	7.4.1 Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.	Yes	All 3 Estates in Tomanggong CU continued to follow good agricultural practices contained in the SOPs to manage and improve soil fertility to a level that ensures optimal and sustained yield. This was through annual fertilizer applications and nutrient recycling. Soil fertility maintenance was guided by its OPAP in a few chapters: i) OPAP No.5 – Establishment and Maintenance of Legume Covers ii) OPAP No. 9 - iii) OPAP No.11 – Manuring iv) OPAP No.12 – EFB Application Generally, all estate has effectively followed the established procedures to maintain the soil fertility. This was evident form the their good FFB yields obtained in FY 2019 and 2020-		
	7.4.2 Periodic tissue and soil sampling is carried out to monitor and manage changes in soil fertility and plant health.	Yes	Records showed that all 3 Estates in Tomanggong CU continued to carry out periodic foliar and soil sampling to monitor changes in nutrient status. Annual foliar sampling, as for the SOP had been carried out. Foliar Test Report in Dec 2019 for Ash, N, P K, Ca B Cu & Zn by HAP Seng Plantations (River Estates) Sdn Bhd, Plantation Central Laboratory was sighted. This foliar analysis were carried out to facilitate fertilizer recommendation for the 2020 fertilizer application program. Apart from that, soil analysis was also done to provide indication of soil health. Test Report for checking in Jan 2020 for pH, Na, K, Ca, Mg, C.E.C, P, Org. C and N by KKDC Laboratory of KL-Kepong (Sabah) Sdn Bhd was sighted.		
	7.4.3 A nutrient recycling strategy is in place, which includes the recycling of	Yes	All 3 Estates in Tomanggong CU continued to have a nutrient recycling strategy where palm fronds were properly stacked in the inter row to decompose and supplement of BPS (belt		

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Clause	Indicators	Comply Yes/No	Findings																																																																																															
	Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.		pressed solid) in mature areas. EFB & BPS will help to supplement the inorganic fertilizer thus improving the nutrient status of the field.																																																																																															
	7.4.4 Records of fertiliser inputs are maintained.	Yes	All 3 Estates in Tomanggong CU continued to monitor their fertilizer inputs as recommended by their agronomist. The information was also available in the Manuring Schedule for FY 2021. The fertilizers recommended for 2021 were, NK., AS, MOP, Kieserite, HGFB, CCM55, CCM 45, Mix44 and BA, BPS. The amount of fertilisers applied in the field was in accordance with the recommendation made by the agronomist.																																																																																															
7.5 Practices minimise and control erosion and degradation of soils.	7.5.1 (C) Maps identifying marginal and fragile soils, including steep terrain, are available.	Yes	<p>As per the Slope Maps prepared by the Agronomy Department, HSPBH in Nov 2015, the slope classification in Ha was as follows:</p> <table><tr><td></td><td>Topography</td><td>Tomanggong</td><td>Litang</td><td>Tagas</td></tr><tr><td>1</td><td>0-5</td><td>2391.76</td><td>2581.30</td><td>2153.84</td></tr><tr><td>2</td><td>6-10</td><td>166.56</td><td>64.91</td><td>52.87</td></tr><tr><td>3</td><td>11-15</td><td>76.17</td><td>3.00</td><td>3.99</td></tr><tr><td>4</td><td>16-25</td><td>18.28</td><td>0</td><td>1.00</td></tr><tr><td>5</td><td>>25</td><td>2.03</td><td>0</td><td>0</td></tr><tr><td></td><td>total</td><td>2654.80</td><td>2649.20</td><td>2211.70</td></tr></table> <p>On Tomanggong CU Maps identifying soils, including steep terrain, were made available to auditors. As per the Soil Maps sourced from The Soils of Sabah and prepared and then updated by the Agronomy Department, there were no fragile soils on all 3 Estates. The soils in the 3 Estates were:</p> <table><tr><th colspan="2">Tomanggong Estate</th><th colspan="2">Tagas Estate</th><th colspan="2">Litang Estate</th></tr><tr><th>Soil type</th><th>%</th><th>Soil type</th><th>%</th><th>Soil type</th><th>%</th></tr><tr><td>Brantian</td><td>25.66</td><td>Dagat</td><td>27.64</td><td>Dagat</td><td>0.30</td></tr><tr><td>Dagat</td><td>11.49</td><td>Gumpal</td><td>3.36</td><td>Kinabatangan</td><td>63.06</td></tr><tr><td>Gumpal</td><td>29.29</td><td>Kinabatangan</td><td>38.47</td><td>Kertam</td><td>24.80</td></tr><tr><td>Kinabatangan</td><td>24.48</td><td>Kretam</td><td>21.30</td><td>Rumidi</td><td>2.62</td></tr><tr><td>Tuaran</td><td>9.08</td><td>Lungmanis</td><td>5.72</td><td>Tuaran</td><td>9.22</td></tr><tr><td></td><td></td><td>Rumidi</td><td>0.41</td><td></td><td></td></tr><tr><td></td><td></td><td>Tuaran</td><td>3.10</td><td></td><td></td></tr><tr><td>Total</td><td>100.00</td><td></td><td>100.00</td><td></td><td>100.00</td></tr></table>		Topography	Tomanggong	Litang	Tagas	1	0-5	2391.76	2581.30	2153.84	2	6-10	166.56	64.91	52.87	3	11-15	76.17	3.00	3.99	4	16-25	18.28	0	1.00	5	>25	2.03	0	0		total	2654.80	2649.20	2211.70	Tomanggong Estate		Tagas Estate		Litang Estate		Soil type	%	Soil type	%	Soil type	%	Brantian	25.66	Dagat	27.64	Dagat	0.30	Dagat	11.49	Gumpal	3.36	Kinabatangan	63.06	Gumpal	29.29	Kinabatangan	38.47	Kertam	24.80	Kinabatangan	24.48	Kretam	21.30	Rumidi	2.62	Tuaran	9.08	Lungmanis	5.72	Tuaran	9.22			Rumidi	0.41					Tuaran	3.10			Total	100.00		100.00		100.00
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	7.5.2 No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25°) larger than 25 Ha within the Unit of Certification.	Yes	As per the Slope Maps prepared by the Agronomy Department, HSPBH, there was no contiguous area of steep terrain (greater than 25°) larger than 25 Ha.
	7.5.3 There is no new planting of oil palm on steep terrain.	Yes	There had been no new planting of oil palm on steep terrain.
7.6 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	7.6.1 (C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.	Yes	Hap Seng Holdings Berhad, to demonstrate the long-term suitability of land for palm oil cultivation, had conducted soil surveys identifying marginal and fragile soils, and terrain surveys including steep terrain, as mentioned under indicator 7.5.1
	7.6.2 Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.	Yes	There were no fragile soils on all 3 Estates.
	7.6.3 Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.	Yes	Hap Seng Holdings Berhad, to demonstrate the long-term suitability of land for palm oil cultivation, had conducted soil surveys identifying marginal and fragile soils, and terrain surveys including steep terrain, as mentioned under indicator 7.5.1
7.7 No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.	7.7.1 (C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.	Yes	No peat areas were also observed during the visit.
	7.7.2 Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peat land Working Group	Yes	No peat areas were observed during the visit.

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	(PLWG) audit guidance (see Procedural Note for 7.7.5 below).		
	7.7.3 (C) Subsidence of peat is monitored, documented and minimised.	Yes	No peat areas were observed during the visit.
	7.7.4 (C) A documented water and ground cover management programme is in place.	Yes	No peat areas were observed during the visit.
	7.7.5 (C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation. This is subject to transitional (5 years: 2019 to 2025) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.	Yes	No peat areas were observed during the visit.
	7.7.6 (C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2018) and associated audit guidance.	Yes	No peat areas were observed during the visit.
	7.7.7 (C) All areas of unplanted and set-	Yes	No peat areas were observed during the visit.

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	aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2018) and associated audit guidance.		
7.8 Practices maintain the quality and availability of surface and groundwater.	7.8.1 A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:	No	<p>Both the Mill and the estates had its <i>Water Management Plan for 2021 updated in Aug 2021</i> which was developed in order to maintain the quality and availability of natural water resources by practicing efficient water consumption through various methods; among others</p> <ul style="list-style-type: none"> a) implementation of rainwater harvest, b) Establishment of <i>mucuna bracteata</i> to prevent erosion, side drain at field road to control water, frond stacking, enhancement of ground vegetation at bare ground area. <p>The CU has also identified actions to be taken in the event of water supply shortage,</p> <ul style="list-style-type: none"> a) Workers quarters were provided with separate tanks for rain water harvesting used for washing. b) Water for consumption is supplied in separate tanks and amount used being monitored. c) Water from triple rinsing of pesticide containers was reused for spraying. d) Records of rainfall data to assist in the water management plans were sighted from 2010 (10 years spectrum). <p>The mill practices recycling processing water,</p> <ul style="list-style-type: none"> a) Recycled condensate water, to use back water treated from POME to cleaning purpose at mill and hydro cyclone operation during water shortage, b) collection of rain Waters, c) Line site Water usage Monitoring, d) Contingency Plan during dry spell/shortage has been established. e) Contingency plan during water shortage <p>However, it was found that, Water Management Plan at Tomanggong CU, the Plan did not addresses reading water off spec i.e. Total Coliform.</p> <p>Evidence Sighted:</p>

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			<ul style="list-style-type: none"> - Report Analysis for water drinking analysis for 6 Monthly interval at Tomanggong CU dated 21/6/21 showed the total coliform reading is >23 against non-Detected - Latest Report Analysis for water drinking analysis at Tomanggong POM and Tomanggong Estate dated 22/11/21 showed the total coliform reading is 2.2 against non-Detected - Latest Report Analysis for water drinking analysis at Litang Estate dated 22/11/21 showed the total coliform reading is 1.1 against non-Detected <p>Therefore Minor NCR MZK 01 2021 has been raised against this indicator.</p>
	7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.	Yes	Supplies are made to all housing areas and office complexes in the respective estates as the sources are from the internal water pond and catchment. For general uses rain water harvesting are practiced via collection into the poly tank supplied to the residences.
	7.8.1b Workers have adequate access to clean water.	Yes	Water for domestic use were supplied from own treatment plant (Tomanggong POM WTP, Tagas WTP & Litang WTP). Latest report of water analysis (monthly and 6 month interval) dated in Nov 2021 by Plantation Central laboratory reviewed. Some corrective actions highlighted and the estate/mill need to correct the off spec parameter. The effectiveness of the action taken will be reviewed in the next test report.
	7.8.2 (C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).	Yes	<p>The protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones is available and described in the following SOPs: <i>"Syarat Alam Sekitar – Aktiviti Di Penanaman Semula Pokok Kelapa Sawit Di Estet Semula Hap Seng Group.</i></p> <p>The management prohibits the following activities at any identified buffer zone; intrusion / Chemical spraying / fertilizer application / fishing / burning / rubbish disposal /cultivation of plant.</p>
	7.8.3 Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.	Yes	Final discharge has been monitored by daily basis and has been reported to DOE by quarterly basis. Treated effluent is allowed to be discharge as land irrigation Analysis of the final discharge was carried out by Hap Seng Plantations Central Laboratory on monthly basis. Review of the results indicated that all parameters were within the regulatory limit.
	7.8.4 Mill water use per tonne of FFB is monitored and recorded.	Yes	Mill water usage per tonne of fresh fruit bunches (FFB) continued to be monitored on monthly basis and 5 years monitoring has established. A slightly higher and lower water usage noted, probably due to the proportionate reduction in volume of FFB being processed and for cleaning process.
7.9 Efficiency of fossil fuel use and the use of renewable energy	7.9.1 A plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and	Yes	Plan for improving efficiency of the use of fossil fuels and to optimise renewable energy has established such as:

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is optimised.	documented.			No.	Energy	Action plan	PIC																										
				1	Diesel	-servicing vehicle in timely manner and on contractual basis to ensure efficient use of fuel and preventive maintenance to avoid leakages. -to educate workers by having program on fuel saving practices i.e turn off the engine when vehicle not in used. -no open burning at linesite	Assistant Manager & Staff																										
				2.	Electricity	-installing energy saving appliances, replacing energy saving bulb at workers quarters and using photo -censor to light up street light & compound spotlight. -educate workers on saving energy usage i.e turn off electric switch when not in use	Assistant Manager & Staff																										
7.10 Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.	7.10.1 (C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.	Yes	Tomanggong CU had used RSPO Palm GHG version 4.0 Calculator as a tool to calculate the GHG emissions. Sighted report sends to RSPO on 30/11/2021. The input data was verified, and the following were determined: <table><tr><td>Description</td><td>tCO₂e/tProduct</td><td>Production</td><td>t/yr</td></tr><tr><td>CPO</td><td>2.80</td><td>FFB Processed</td><td>29,862.77</td></tr><tr><td>PK</td><td>2.80</td><td>CPO Processed</td><td>5,942.36</td></tr></table> <table><tr><td>Land Use</td><td>Ha</td></tr><tr><td>OP Planted Area</td><td>11130.91</td></tr><tr><td>OP Planted on Peat</td><td>0.00</td></tr><tr><td>Conservation (forested)</td><td>0.00</td></tr><tr><td>Conservation (non-forested)</td><td>0.00</td></tr></table> Milling extraction rate: <table><tr><td>OER</td><td>21.35</td></tr><tr><td>KER</td><td>4.25</td></tr></table>					Description	tCO ₂ e/tProduct	Production	t/yr	CPO	2.80	FFB Processed	29,862.77	PK	2.80	CPO Processed	5,942.36	Land Use	Ha	OP Planted Area	11130.91	OP Planted on Peat	0.00	Conservation (forested)	0.00	Conservation (non-forested)	0.00	OER	21.35	KER	4.25
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	7.10.2 (C) Starting 2014, the carbon stock of the proposed development area and	Yes	Auditor has verified through checking the www.globalforestwatch.com , Google Maps, Estate Maps and also through site visit to the sampled estates areas. Based on the observation																																																																																				

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Clause	Indicators	Comply Yes/No	Findings														
	major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (guided by the RSPO GHG Assessment Procedure for New Development).		during the audit, it is confirmed that there were no new planting or new development of areas at Tomanggong CU. Hence, RSPO GHG Assessment Procedure for New Development was not applicable.														
	7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.	Yes	<div>All the estates had established the <i>Pollution Prevention Plan 2021</i> among others addressing the following environmental issues;</div> <table><tr><td></td><td>Issues</td><td>Mitigation measures</td></tr><tr><td>1</td><td>Leakage of pesticide during chemical mixing</td><td>to recollect water used at chemical mixing area to be recycled during mixing to construct containment sum at chemical mixing area to contain leakages</td></tr><tr><td>2</td><td>Contaminated ground / soil at workshop area</td><td>to replace tray whenever tractors / machines under repairing progress to avoid oil spillage on the ground periodic checking on oil sump to ensure it is well maintained and to avoid any leakages</td></tr><tr><td>3</td><td>Prohibited spraying at line site</td><td>education to workers not to spray at the line site and explain reason for such a directive. periodic checking at the line site</td></tr><tr><td>4</td><td>Prohibited spraying & fertilizer or chemical near the river (buffer zone)</td><td>provide training and create awareness to workers identifying and marking the buffer zones</td></tr></table> <div>The Environmental Impact Assessment and Pollution Prevention Plan was used to identify the GHG emissions. Some of the Greenhouse Gas emissions are through Land Conversation, Crop Sequestration, Fertiliser, N₂O from fertiliser, Fuel Consumption, Peat Oxidation. Plans to reduce or minimise them are in place. Tomanggong CU also plan to reduce GHG by construct Biogas plant to capture Methane gas generated from the Effluent Treatment Plant to generate biogas engine to produce electricity for mill and domestic use.</div>		Issues	Mitigation measures	1	Leakage of pesticide during chemical mixing	to recollect water used at chemical mixing area to be recycled during mixing to construct containment sum at chemical mixing area to contain leakages	2	Contaminated ground / soil at workshop area	to replace tray whenever tractors / machines under repairing progress to avoid oil spillage on the ground periodic checking on oil sump to ensure it is well maintained and to avoid any leakages	3	Prohibited spraying at line site	education to workers not to spray at the line site and explain reason for such a directive. periodic checking at the line site	4	Prohibited spraying & fertilizer or chemical near the river (buffer zone)
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4	Prohibited spraying & fertilizer or chemical near the river (buffer zone)	provide training and create awareness to workers identifying and marking the buffer zones															
7.11 Fire is not used for preparing land and is prevented in the managed area.	7.11.1 (C) Land for new planting or replanting is not prepared by burning.	Yes	Tomanggong CU had complied to the strict Zero Burning Policy In Sustainability Agricultural Policy under Item 1: No Deforestation, Environment & Biodiversity. There was no evidence to show that fire had been used for preparing land for replanting in the 2021 replant visited on Tomanggong Estate during the audit. All palms had been felled, shredded, windrowed and left to decompose.														
	7.11.2 The unit of certification establishes fire prevention and control measures for the areas under its direct management.	Yes	Tomanggong CU had established fire prevention and control measures for the areas under its direct management. Fire emergency procedures were available in adherence to the HSPHB policy on														

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Clause	Indicators	Comply Yes/No	Findings
			'Emergency Response' plan—updated Jan 2021. Important telephone contact numbers were also provided therein. Procedures and guidelines were issued by Agronomy Dept and amended to tailor to the situation differences in the estates and mills. All 3 Estates had water bowsers (Tractor drawn water tanks) and valid Fire Extinguishers placed at all buildings. Sighted, during the visit, fire extinguishers at the offices, chemical & general store, workshop, diesel skid tanks, staff quarters and workers quarters.
	7.11.3 The unit of certification engages with adjacent stakeholders on fire prevention and control measures.	Yes	All 3 Estates had engaged adjacent stakeholder on fire prevention and control measures at Joint Consultation Committee Meetings.
7.12 Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.	7.12.1 (C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.	Yes	Auditors has verified through checking through www.globalforestwatch.com , Google Maps, Estate Maps and also through site visit to all estates. Based on the audit findings, it was confirmed that no land clearing at Tomanggong CU since Nov 2005.
	7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as follows:	Yes	The report of " <i>Potential High Conservation Value Area Assessment Report of Tomanggong Group of Estates and Tomanggong Palm Oil Mill</i> " is available and prepared by the Sustainability Executive. The report was completed in September 2018 and updated in Sept 2021, had covered all the High Conservation Value (HCV) within and adjacent to the CU. The HCV assessment had identified on the rare, threatened and endangered species (RTEs) for estate named <i>Tomanggong, Litang, Tagas, Tabin and North Bank</i> , including the management and action plan. In general, Tomanggong CU had identified 6 potential HCV in the whole estates. The total area was 125.64 Ha.
	7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.	Yes	
	7.12.2b: Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.	Yes	

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Clause	Indicators	Comply Yes/No	Findings
	7.12.4 (C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).	Yes	<p>The SOU has established and reviewed the action plan and monitoring programme for HCVs area after consultation with relevant stakeholders. The appropriate measures that are expected to maintain and/or enhance them were implemented through an action.</p> <p>There were no major changes to the integrated management plan, except awareness training, continuous monitoring for HCVs area.</p>
	7.12.5 Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.	Yes	There were no local communities living nearby with Tomanggong CU only surrounding with Hap Seng Own Estate. So, this indicator was not applicable with this CU.
	7.12.6 All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to	Yes	<p>The following program has been established in relation to the HCV/RTE protection during the year 2021.</p> <ol style="list-style-type: none"> 1. A training programme for year 2021 was available. An awareness training like morning briefing has been conducted by Assistant Manager from Tomanggong, Tagas and Litang Estate to all workers' 2. An appropriate disciplinary measure was 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, and also Policy and Procedure has been developed for disciplinary measures titled 'Disciplinary Measures Against Any Activities Involved with Rare Threatened & Endangered Species (RTE) / <i>Tindakan Terhadap Sebarang Aktiviti Melibatkan Haiwan Terancam (RTE)</i>' dated 7

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Clause	Indicators	Comply Yes/No	Findings
	capture, harm, collect, trade, possess or kill these species.		September 2015.
	7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.	Yes	Tomanggong CU continues to discourage any illegal or inappropriate hunting, fishing or collecting activities. Evidence was seen during the site review that signage to prohibit hunting, fishing and pesticide spraying not allowed within buffer area at the HCV Area. It was noted that CCTV was placed at strategic area surrounding the estate to control everything including any illegal activities. The CCTV is in operation 24hours.
	7.12.8 (C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.	Yes	Auditors has verified through checking through www.globalforestwatch.com , Google Maps, Estate Maps and also through site visit to all estates. Based on the audit findings, it was confirmed that no land clearing at Tomanggong CU since Nov 2005. Remediation and Compensation Procedure (RaCP) did not apply.

RSPO Certifications Systems for P&C and RISS, Nov 2020

Clause	Indicators		Comply Yes/No	Findings
<p>5.5.2 Time-bound plan</p> <p>A time-bound plan for certifying all its management units and/or entities, including the units where the organization has mgmt. control and/or minor shareholding, is submitted to the CB during the initial certification audit. The time-bound plan shall contain a current list of all estates and mills.</p>	(a)	<p>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.</p>	Yes	<p>HSP was committed towards getting the 100% RSPO certification. The target year for certification was revised to 2022 (as in ACOP 2019). Northbank and Tabin Estate are currently undergone Remediation and Compensation Procedure (RaCP). A meeting was held at RSPO office with RSPO Compensation Manager Ms Khing Su Li to discuss on the revise of Concept Note. HSP have response after the meeting by providing revised Concept Note and documents on 11/01/2020. Meanwhile, based on Retrospective HCV assessment made by certified HCV assessor (Green Harvest S/B) there were no clearance of primary forest at Pelipikan Estate. However, there were land clearing made in May 2006, September 2010 and February 2011. Whereas clearing was made without HCV assessment. HSP received the reviewer's comment on the LUCA assessment. HSP need to provide major clarification.</p>

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	(b)	Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;	Yes	There were no changes to the current time bound plan. It was confirmed during audit with representative of HSPHB. Time bound plan was verified by CB.
	(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);	Yes	The details of the Time Bound Plan described as per attachment 6. HSP is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills. Details were provided in the Time Bound Plan described as per attachment/revision in the TBP.
	(d)	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.	Yes	The details of the Time Bound Plan described as per attachment 6. HSP is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills. Details were provided in the Time Bound Plan described as per attachment/revision in the TBP. As of this audit and Verification of documents and Timebound Plan there are no isolated lapses and fundamental failure to proceed with implementation of the plan in implementation of a time-bound plan
5.5.3 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 7.12. Any new plantings since 1 st January 2010	Yes	Assessment of compliance to RSPO Partial Certification Requirements was conducted in Northbank and Tabin Estate on 15-18/07/2019 and for Pelipikan Estate on 18-22/02/2020. From the assessment, the status of the uncertified management unit was summarized as follows:

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		shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;		<p><u>Northbank and Tabin Estate</u></p> <p>a) HCV Assessment at Northbank and Tabin Estate has been conducted in year 2013 and completed the report on 20 November 2013.</p> <p>b) Northbank and Tabin Estate are currently undergone Remediation and Compensation Procedure (RaCP). A meeting was held at RSPO office with RSPO Compensation Manager Ms Khing Su Li to discuss on the revise of Concept Note. HSP have response after the meeting by providing revised Concept Note and documents on 11/01/2020.</p> <p><u>Pelipikan Estate</u></p> <p>a) Based on Retrospective HCV assessment made by certified HCV assessor (Green Harvest Sdn. Bhd.) there were no clearance of primary forest at Pelipikan Estate. However, there were land clearing made on May 2006, September 2010 and February 2011. Whereas clearing was made without HCV assessment.</p> <p>HSP received the reviewer's comment on the LUCA assessment. HSP need provide major clarification.</p>
	(b)	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8;	Yes	<p>The latest internal assessment has been made to Northbank and Tabin Estate on 15-18/07/2019 and for Pelipikan Estate on 18-22/02/2020:</p> <p><u>Northbank and Tabin Estate</u></p> <p>Land conflict are still under court case. Please refer Hap Seng Plantations 2018 Annual Report – refer page 115 (b)</p> <p><u>Pelipikan Estate</u></p> <p>Land conflict was resolved with the affected and relevant parties. Please refer Hap Seng Plantations 2018 Annual Report – refer page 269 (c)</p>
	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2;	Yes	<p>The latest internal assessment has been made to Northbank and Tabin Estate on 15-18/07/2019 and for Pelipikan Estate on 18-22/02/2020:</p> <p><u>Northbank and Tabin Estate</u></p> <p>JCC meeting with stakeholder which include local communities was conducted on 28/08/2018. The result of the meeting had no significant negative impact by the local community.</p> <p><u>Pelipikan Estate</u></p> <p>There were no labour dispute reported during JCC with stakeholder meeting conducted on 09/04/2020. Overall no negative impacts.</p>
	(d)	Legal non-compliance, if any, is	Yes	<p>The latest internal assessment has been made to Northbank and Tabin Estate on 15-18/07/2019 and for Pelipikan Estate on 18-22/02/2020:</p>

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		being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;		there was no issue on legal non-compliance for all uncertified unit.
	(e)	<p>The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 5.5.3 (a) – (d) above by the audit team based on self-declarations only by the company,</p> <p>with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:</p> <ul style="list-style-type: none"> • A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement; • Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team. • Desktop study e.g. web check on relevant complaints • If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements. 	Yes	<p>Based on the latest internal assessment carried out in Feb 2020, the progress of the certification was concluded as non-compliance against 4.5.4. (a-d) on new planting requirement, HCV, legal compliance and labour disputes for Tabin, Northbank and Pelipikan Estate. With regards to the land disputes, the action to address the issues were on-going.</p> <p>It was evident that in handling uncertified management unit has conducted the Joint Consultation Committee (JCC) meeting on 28/08/2018 (Northbank and Tabin Estate) and 09/04/2020 (Pelipikan Estate) to address unresolved issues. Actions in progress.</p> <p>Further information can be obtained from https://document.rspo.org/Hap_Seng_Plantations_Holdings_Bhd_ACO_P2019.pdf</p>
	(f)	For requirements 5.5.3 (a)-(d) above, the classification of critical and non-critical is as stated in the RSPO P&C. If a non-compliance against a critical	Yes	As of this audit Hap Seng Plantations still on track and follow the requirement of uncertified requirement units, Further information can be obtained from https://document.rspo.org/Hap_Seng_Plantations_Holdings_Bhd_ACO_P2019.pdf

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		indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless it is actively addressed. Evidence of active engagement with RSPO in resolving the non-compliance shall be available.		019.pdf . The details of the Time Bound Plan described as per attachment 6. HSP is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills. Details were provided in the Time Bound Plan described as per attachment/revision in the TBP.
	(g)	Failure to address any outstanding non-compliances within uncertified unit(s) as defined in 5.5.3 (f) above may lead to suspension of certificate of the certified unit(s), in accordance with the provisions of these Certification Systems.	Yes	As of this audit Hap Seng Plantations still on track and follow the requirement of uncertified requirement units, Further information can be obtained from https://document.rspo.org/Hap_Seng_Plantations_Holdings_Bhd_ACOP2_019.pdf . The details of the Time Bound Plan described as per attachment 6. HSP is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills. Details were provided in the Time Bound Plan described as per attachment/revision in the TBP.
5.6.6 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. The CB shall have a mechanism in place to identify the interested parties and ensure a represented samples size of the interested parties are consulted in each audit. The CB shall keep track which party that has been interviewed in the previous audits		No additional indicators	Yes	It has been verified that Tomanggong Group of Estate (TGOE) owned the said lands as Country Lease land title (CL) from The Government of The State of Sabah. The land was not previously owned by any users and subject to customary rights of local communities and indigenous people. The Mechanism of verification is CB going through Interviewed with surrounding smallholder and government agencies, CB also keep track the records in table 1.4 Stakeholder Consultation above. During this audit, it was confirmed through interviewed relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, Harus Abadi Sdn Bhd and IOI Plantations. There was no land encumbered by customary rights or dispute from any stakeholder at the Tomanggong CU

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to ensure proper coverage of the parties throughout the certification cycle.				
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ATTACHMENT 4

DETAILS OF NON-CONFORMITIES AND CORRECTIVE ACTIONS TAKEN

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Root Cause & Corrective Action Taken by the CU	Verification Statement by Auditors
3.3.2	Minor	<p>Requirement : A mechanism to check consistent implementation of procedures is in place.</p> <p>Finding : Item 3.1 Palm Circle & Item 3.2 Inter-row of HSPHB OPAP No.9-UpkeepMature Oil Palms were no complied with.</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. The palm circles in Field T14I on Tomanggong Estate and in Field L11A on Litang Estate were not sprayed clean. Observed weeds around 1 foot of the palm base in Tomanggong Estate. Observed weeds around 1 foot of the palm base and on the back half of the circle on Litang Estate. 2. Tagas Estate: the inter-rows Field SR04A was observed to be covered with the weed Caladium. 	<p>Root cause:</p> <p>Corrective Action:</p>	
7.8.1	Minor	<p>Requirement : 7.8.1 A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following: 7.8.1b Workers have adequate access to clean water.</p> <p>Finding : Water management plan did not address on workers have adequate access to clean water.</p> <p>Objective evidence : Based on Water Management Plan at Tomanggong CU, the Plan did not addresses reading water off spec i.e. Total Coliform.</p>	<p>Root cause:</p> <p>Corrective Action:</p>	

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		<p>Evidence Sighted:</p> <ul style="list-style-type: none">- Report Analysis for water drinking analysis for 6 Monthly interval at Tomanggong CU dated 21/6/21 showed the total coliform reading is >23 against non-Detected.- Latest Report Analysis for water drinking analysis at Tomanggong POM and Tomanggong Estate dated 22/11/21 showed the total coliform reading is 2.2 against non-Detected.- Latest Report Analysis for water drinking analysis at Litang Estate dated 22/11/21 showed the total coliform reading is 1.1 against non-Detected.		
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ATTACHMENT 5

STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
3.8.9 (SC)	Major	<p>Indicator 3.8.9 (C) Outsourcing Activities</p> <p>b) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>Finding : Tomanggong POM documented control system with explicit procedures for the outsourced process was not communicated to the relevant contractor.</p> <p>Objective evidence : During Document review at Tomanggong POM sighted that there is outsourced contractor named Hai Heng Enterprise Sdn Bhd, however, there is no records of briefing or training regarding documented control system or procedures to them by Management.</p>	<p>Correction: Mill Management (Tomanggong Palm Oil Mill, TPOM) had immediately conducted the training regarding documented control system or procedures to the outsourced contractor (Hai Heng Enterprise Sdn Bhd) on 24th April 2021 (Refer to Attachment 1).</p> <p>Corrective Action Plan: The training regarding documented control system or procedures will be included in TPOM's yearly training program for all contractors.</p>	<p>a) There are 1 outsource company CPO oil Barges i.e. Hai Heng Enterprise Sdn Bhd (agreement sign on 11/1/2020).</p> <p>b) There is contract document between Tomanggong POM and the transporters. But there is another attachment There is a clause regarding Supply chain in the 'Addendum to the CPO Transportation Agreement' of agreement stated that the contractor agrees that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary on date 8/10/2020.</p> <p>c) The RSPO Supply Chain procedure has described on Para 13.0 Outsource Contractor. During Document review at Tomanggong POM sighted that there is outsourced contractor named Hai Heng Enterprise Sdn Bhd, Sighted latest briefing or training regarding documented control system or procedures has been conducted on 24/4/21 and 28/8/21. Hence, Past NCR Major MZK 01 2021 was successfully closed.</p>
7.2.11	Major	<p>Requirement: Indicator 7.2.11 (C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>Finding: Work with pesticides is undertaken by breastfeeding women.</p> <p>Objective evidence: Based on interview and verification of the pocket checkroll book, auditor have found 2 female workers who are a breastfeeding mothers</p>	<p>Correction:</p> <ol style="list-style-type: none"> 1. Tagas and Litang Estate immediately stop Chemical Spraying Work for Marni Lamade @ 88047 (Tagas) and Nina Samsuddin @ 70633 (Litang) and they have been offer alternative equivalent work that were not exposed to chemical Hazardous to health until the worker itself written declare that they are no longer breastfeed her baby (Refer to attachment 2a & 2b). 2. Training on the RSPO requirement to all chemical handler 	<p>On all 3 Estates there was no evidence to show that work with pesticides had been offered to persons under the age of 18, pregnant or breastfeeding women or other people who had medical restrictions, at time of visit. Spraying activity was observed in field T14G on Temanggong Estate, and field S01E on Tagas Estate and in Field L11A on Litang Estate.</p> <p>The Estate had complied with Section 3 c "cause or permit a female worker who is pregnant or lactating to use or handle highly pesticides", Regulation 'Prohibition' of the Pesticide Act (Highly Toxic Pesticide) Regulation 1996. HSPHB also had a policy</p>

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		<p>involves with pesticides work duty:</p> <p>1) Tagas Estate – Marni Lamade @ 88047 (Date of birth @ 07/11/2020) has been assigned circle spraying while the baby is 4 & 5 months old and still exclusively under breastfeeding. Date of work have been assigned on March 2021 (25/03/2021) and April 2021 (07/04/2021 and 09/04/2021).</p> <p>2) Litang Estate – Nina Samsuddin @ 70633 (Date of birth 16/10/2020) has been assigned selective spraying and manuring while the baby is 4 months old and still exclusively under breastfeeding. Date of work have been assigned on February 2021 (05/02/2021, 06/02/2021, 10/02/2021, 11/02/2021 and 18/02/2021).</p>	<p>workers of Tagas Estate and Litang Estate has been conducted on 5.5.2021 and 6.5.2021 in order to educate all the chemical handler of the specific requirement for chemical handler based on the RSPO requirement indicator 7.11.2 (C) - Refer to attachment 2c and 2d.</p> <p>Corrective Action Plan:</p> <p>1. Chemical Spraying Work only will be offered by estate after receive written declaration from the breastfeeding mothers to confirm that they are no longer breastfeed their baby.</p>	<p>of recruiting workers 18 years old and above.</p> <p>Based on the site visit in Field T14G on Temanggong Estate, and field S01E on Tagas Estate and in Field L11A on Litang Estate and interviews conducted it was verified that there were no persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions carrying spraying.</p> <p>Therefore, previous NCR was satisfactorily closed.</p>
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ATTACHMENT 6 – Timebound Plan

HAP SENG PLANTATIONS HOLDINGS BERHAD TIME BOUND PLAN ON RSPO CERTIFICATION

No.	CU	Location	Date of Certification	Valid until	CAB
1	Hap Seng Plantations (River Estates) Sdn Bhd - Sg Segama Group of Estate & Bukit Mas Palm Oil Mill	Lahad Datu	24/05/2017	23/05/2022	PT TUV Rheinland
2	Jeroco Plantations Sdn Bhd Jeroco Palm Oil Mill	Lahad Datu	27/09/2018	26/09/2023	SIRIM QAS
3	Jeroco Plantations Sdn Bhd Jeroco Palm Oil Mill 2	Lahad Datu	27/09/2018	26/09/2023	SIRIM QAS
4	Hap Seng Plantations (River Estates) Sdn Bhd - Tomanggong Group of Estates	Lahad Datu	09/01/2020	08/01/2025	SIRIM QAS
5	Kawa Estate and Hap Seng Estate, Hap Seng Plantations (Ladang Kawa) Sdn Bhd *combined with Sg Segama Group of Estate & Bukit Mas POM, w.e.f 2018	Tawau	24/05/2017	23/05/2022	PT TUV Rheinland
6	Pelipikan Estate	Kota Marudu	2022 (as per ACOP 2019)	Not Applicable	Not Applicable
7	Hap Seng Plantations (River Estates) Sdn Bhd – Tomanggong Group of Estates – North Bank Estate and Tabin Estate	Lahad Datu	2022 (as per ACOP 2019)	Not Applicable	Not Applicable

Note:

- It has been confirmed during the audit that Shalimar Estate and Batang Berjuntai, which located in Selangor is under Euro Asia Brand Holding Company (Euro Asia). Euro Asia who certified to MSPO, belongs to Hap Seng Properties Sdn Bhd (HS Properties). HS Properties is one of subsidiaries of Hap Seng Consolidated Bhd. (Hap Seng Consolidated.)
- As of now, neither Hap Seng Consolidated nor HS Properties are registered as RSPO member.
- There is no management control between HS Properties & Hap Seng Plantations Holdings Berhad (HS Plantations), (two different companies with two CEOs). But both companies are subsidiaries to Hap Seng Consolidated.
- In terms of RSPO certification process, HS Plantations is registered as RSPO member. The above TBP is parked under HS Plantations.
- Following the RSPO Membership Rules 2020, [Clause 5.2.6 (ii) a],
 - Hap Seng Consolidated is a parent company but not an RSPO member, but one of its related entities are holding RSPO membership i.e. HS Plantations.
 - Only HS Plantations is an RSPO member.
 - Hap Seng Consolidated is not involved in activities related to the palm oil supply chain.
 - Corporate Group Membership is not applicable to Hap Seng Consolidated.