



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

File Ref. : EH04760002

RSPO PUBLIC SUMMARY REPORT

CLIENT : JEROCO PLANTATIONS SDN. BHD. – JEROCO PALM OIL MILL 2
PARENT COMPANY : HAP SENG PLANTATIONS HOLDINGS BERHAD
RSPO MEMBERSHIP No.: 1-0098-11-000-00

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

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
Jeroco 2 Certification Unit	Jeroco POM 2	5°25'52.002" N	118°25'02.005" E	Off KM 50, Jalan Jeroco, 91109 Lahad Datu, Sabah, Malaysia.
	Kapis Estate	5°26'34.303" N	118°24'51.001" E	

MAP : See Attachment 1

AUDIT DATE : 13th– 15th July 2022

DURATION : 11 auditor days

TYPE OF AUDIT : Annual Surveillance Audit No. 4 Recertification Audit

STANDARD: MYNI 2019 FOR RSPO PRINCIPLE & CRITERIA 2018

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

VALIDITY OF RSPO CERTIFICATE : 27/09/2018 to 26/09/2023

The following attachments form part of this report:

Non-conformity Report(s)

List of additional site(s)

Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : MOHD ZULFAKAR BIN KAMARUZAMAN

Name : *KEE KEON CHONG*

Signature :

Signature :

Date : 17/10/2022

Date : *20.10.2022*

SUMMARY OF AUDITS

Recertification Audit			
On-site audit date	: 24-29 July 2018	No. of auditor days :	9 Days
Audit team	: Mohd Zulfakar Kamaruzaman, Mohd Razman Salim and Suzalina Kamaralarifin		
No. of major NCR	: 1	Indicator: 4.7.2	Closing date: 20/10/18
No. of minor NCR	: 1	Indicator : 2.1.2	
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers / Local communities
	X		NA
	Contract workers	NGOs	Govt. agency
			X
	Independent growers		X
	Indigenous people	Contractors	Others (Please specify)
	NA	X	
Supply base sampled	: Kapis Estate		
Changes since the last audit	: No changes.		
Justification of audit planning	: Total allocation of auditor days for Jeroco 2 CU were: Mill = 5 days (4 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 4 days each for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title.		
Report approved by	: Radziah Mohd Daud	Approval date : 15/11/2018	

Annual Surveillance Audit 1			
On-site audit date	: 1 – 3 July 2019	No. of auditor days:	9 Auditor Days
Audit team	: Mohd Zulfakar Kamaruzaman (LA), Amir Bahari, Mohd Norddin Abd Jalil		
No. of major NCR	: 1	5.13 (RSPO Supply Chain)	Closing date: 30/09/2019
No. of minor NCR	: -	-	
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers/ Local community
	√		NA
	Contract workers	NGOs	Govt. agency
			√
	Independent growers		√
	Indigenous people	Contractor	Others (Please specify)
	NA	√	
Supply base sampled	: Kapis Estate		
Changes since the last audit	: No changes		
Justification of audit planning	: Total allocation of auditor days for Jeroco 2 CU were: Mill = 5 days (4 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 4 days each for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title.		
Report approved by	: Kamini A/P Sooriamorthy	Approval date : 7/10/2019	

Annual Surveillance Audit 2				
On-site audit date	:	21 – 24 July 2020	No. of auditor days:	11 Auditor days
Audit team	:	Dzulfiqar Azmi (TLA) – Evaluated as Lead Auditor, Mohd Zulfakar Kamaruzaman - Evaluator, Selvasingam T Kandiah.		
No. of major NCR	:	1	Indicator: 7.12.4	Closing date: 12/10/2020
No. of minor NCR	:	2	Indicator: 2.2.3, 7.11.3	
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees	Settlers	Villagers / Local communities
		√		NA
		Contract workers	NGOs	Govt. agency
				√
		Indigenous people	Contractor	Others (Please specify)
		NA	√	
Supply base sampled	:	Kapis Estate		
Changes since the last audit	:	No changes		
Justification of audit planning	:	Total allocation of auditor days for Jeroco 2 CU were: <ul style="list-style-type: none"> • Mill = 5 days (5 days for safety and health, environment, mill best practices, GHG verification and for supply chain certification systems) • All estate = 6 days each for verification of safety and health, environment, good agriculture best practices, GHG verification. 		
Report approved by	:	Kamini A/P Sooriamoorthy	Approval date: 15/10/2020	

Annual Surveillance Audit 3				
On-site audit date	:	02 – 03 August 2021 (Remote) 17 – 20 January 2022 (Onsite)	No. of auditor days:	11 auditor days
Audit team	:	Dzulfiqar Azmi (LA) – Lead Auditor, Mohd Zulfakar Kamaruzaman, Mohd Norddin Abd Jalil		
No. of major NCR	:	3	Indicator: 2.1.1, 7.8.2, 7.10.3	Closing date: 14/04/2022
No. of minor NCR	:	1	Indicator: 7.3.2	
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees	Settlers	Villagers / Local communities
		√		NA
		Contract workers	NGOs	Govt. agency
				√
		Indigenous people	Contractor	Others (Please specify)
		NA	√	
Supply base sampled	:	Kapis Estate		
Changes since the last audit	:	No changes		
Justification of audit planning	:	Total allocation of auditor days for Jeroco 2 CU were: <ul style="list-style-type: none"> • Remote Audit = 3 days for remote of documents reviews safety and health, environment, mill/estate best practices, GHG verification and for supply chain certification systems). • Onsite Audit = 8 days for verification onsite of implantations safety and health, environment, good agriculture best practices, GHG verification. 		
Name of peer reviewer	:	NA		
Report approved by	:	Kamini A/P Sooriamoorthy	Approval date: 18/04/2022	

Annual Surveillance Audit 4			
On-site audit date :	13 – 15 JULY 2022	No. of auditor days:	11 auditor days
Audit team :	Mohd Zulfakar Kamaruzaman - Lead Auditor, Mohd Razman Salim, Amir Bahari, Ismail Adnan		
No. of major NCR :	2	Indicator: 3.3.1, 6.1.5	Closing date: 13/10/2022
No. of minor NCR :	1	Indicator: 3.7.2	
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers / Local communities
	√		NA
	Contract workers	NGOs	Govt. agency
			√
	Indigenous people	Contractor	Others (Please specify)
	NA	√	
Supply base sampled :	Kapis Estate		
Changes since the last audit :	No changes		
Justification of audit planning :	Total allocation of auditor days for Jeroco 2 CU were: <ul style="list-style-type: none"> • Mill = 5 days (5 days for safety and health, environment, mill best practices, GHG verification and for supply chain certification systems, TBP) • All estate = 6 days each for verification of safety and health, environment, good agriculture best practices, GHG verification, TBP. 		
Name of peer reviewer :	NA		
Report approved by :	Kamini A/P Sooriamoorthy	Approval date: 17/10/2022	

SUMMARY OF INFORMATION

TABLE 1

	STAGE 2 / RA	ASA 1	ASA 2	ASA 3	ASA 4
*Projection Period / Reporting Period		July 2019 to June 2020	July 2020 to June 2021	*Jan 2022 to Dec 2022	July 2022 – June 2023
Certified FFB Processed (MT)		37,100.00	43,730.00	46,450.00	48,160.00
Production of Certified CPO (MT)		7,645.00	9,008.00	9,429.00	9,777.00
Production of Certified PK (MT)		1,781.00	2,099.00	2,230.00	2,313.00
Certified Areas (Ha)		2,681.00	2,681.00	2,681.00	2,681.00
Planted Areas (Ha)		2,342.00	2,342.00	2,342.00	2,342.00
Production Areas (Ha)		2,082.00	2,342.00	2,342.00	2,342.00
HCV Areas / Conservation Areas (Ha)		29.20	29.20	29.20	29.20
REMARKS	*The actual period covered during this audit was between Jan 2022 to June 2022.				

TABLE 2

	CPO	PK
Last years certified volume (MT)	9,429.00	2,230.00
Last year's actual certified sold (MT)	0.00	279.99
Last year's actual sold under other schemes (MT)	0.00	0.00
Last year's sold conventional (MT)	0.00	0.00
New year certified volume (MT)	9,777.00	2,313.00

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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 & ISO 45001. 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. Zulfakar Kamaruzaman	Auditor / Supply Chain, GAP, TBP, Metrics Template	Holds a B.Sc. Forestry. He had several years of working experience in the oil palm operation. He is a qualified RSPO P&C and RSPO Supply Chain Lead Auditor.
Amir Bahari	Auditor, Occupational health and safety & Environment	Possessed B Sc (Hons) USM and Diploma Palm Oil Milling Technology/Management 1996 MPOB. Working experience for 35 years in the oil palm industry including in the mill and estates. A qualified RSPO P & C Auditor with experience in ISO, EMS and RSPO/MSPO auditing.
Ismail Adnan Abdul Malek	Auditor / Social External, HCV	Holds a Master of Forestry, University of British Columbia, Canada. experience as Sub Assistant Conservator, involved with Forest Administration/Management and Enforcement. seven years as Forest Officer/Logging Superintendent. Senior Lecturer, UPM. A qualified RSPO P & C Auditor with experience in Forest, Social and MSPO auditing.
Mohd Razman Salim	Auditor / Social Internal	Holds a B.Sc. Forestry (Hons) degree from University Putra Malaysia with more than 6 years of working experience in the forest management, HCVF and ecology.

1.3 Audit methodology

The audit covered the one palm oil mill and one of its supply base, i.e. the Kapis Estate. The audit included an on-site audit to the estate and mill and to verify the implementation of the requirement of the certification. The sampling conducted in conformance with the requirement specified in the RSPO Certification Systems Document, Nov 2020. The audit included an on-site audit to the estates, mill and settlers' 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

SIRIM QAS International had initiated the stakeholder consultation by during the on-site audit. In general, there was no negative comments made against this Certification Unit. In summary, the

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

Stakeholders interviewed	Evidence from stakeholder consultation
1) Employees / Workers Organizations (local / foreign / Orang Asli workers / male & female)	<p>The following were confirmed:</p> <ul style="list-style-type: none"> ▪ Foreign workers employed via recruitment agents confirmed that they did not pay any recruitment fees. ▪ 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. ▪ 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. ▪ They have been getting salaries above RM1,500 since May 2022. Salaries were paid before the 7th of every month. ▪ No abuse at work, and no sexual harassment. They understand what constitutes sexual harassment. ▪ No discrimination between migrant workers and local workers, between male and female workers. ▪ Comfortable housing with water and electricity provided. ▪ Have access to affordable food from the canteen/sundry shops within the estate/mill premises. ▪ Entitled to free medical facilities at the estate clinic. ▪ 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. ▪ When they are at work, their children stay at the Creche' or the HUMANA. The legalisation process of all the children has been done and some are still ongoing.
2) Settlers	Not applicable
3) Villagers / Local communities (including women representatives, displaced communities)	<ul style="list-style-type: none"> ▪ Not applicable ▪ No local communities within and proximity to Jeroco POM 2 CU. Villages (Kg Tidung, Kg Litang, Kg Dagat) are more than 10 km distance from Jeroco 2 CU boundaries although close to other plantations in the Hap Seng Plantation Groups.
4) Suppliers	Suppliers confirmed that payments are received within one month of invoice. They are also aware of the complaint channel. There are no issues with the estates and mill. They receive invitations to attend stakeholder meetings but sometimes cannot attend.
5) Contract workers (local / foreign / Orang Asli workers / male & female)	No contract workers.
6) Local & national NGOs	No issues
7) Government agencies / Statutory bodies	Lahad Datu District Forestry Department interviewed but no issue raised. No issues also with other

	government agencies/statutory bodies.
8) Independent growers / Smallholders	Hap Seng give support to surrounding smallholders and growers by giving them Free Consultation, Free Assessment, and anything related to RSPO and MSPO certification. Until to date surrounding smallholder who are RSPO certified were Spark Glory, Harus Abadi, and LKM Trading. Also interviewed were currently in progress for RSPO and MSPO certification were Lebijaya, Khoo Chin Hung, Bukit Kretam and LPC Plantation who are within Hap Seng Smallholder Support Program (SSP). The invitation to participate in the SSP was also extended to other uncertified Smallholders.
9) Indigenous people	Not applicable
10) Contractor	Contractors confirmed that the contracts they have with the estates and mill are fair and transparent. The clauses on contract duration, amount and calculation of payments are clearly stated in their contracts. Payments are received within one month of invoice. There are no issues between the contractors with the estate and mill. They receive invitations and attend stakeholder meetings, however, sometimes unable to attend due to other commitments.
11) Previous land owner (if any)	The right to use the land at the CU can be demonstrated and not disputed by any party. Evidence of legal ownership of the land including history of land tenure was verified during this audit. For Kapis Estate the land was previous owned by Sabah Land Development and Jeroco Plantations Sdn Bhd has bought and developed the land in 1980. There were clear land ownership documents available and reviewed.
12) Others (please specify)	No issues

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 Description of the certification unit

Jeroco Palm Oil Mill 2 certification unit (hereafter refer to JPOM2 CU) is one of the business unit under the Hap Seng Plantation Holdings Berhad (HSPHB). Located at Off 50 KM, Jalan Jeroco, Lahad Datu, Sabah, Malaysia, the CU consists of one mill (JPOM 2) and one supply base i.e. Kapis Estate.

The Jeroco Palm Oil Mill 2 has a processing capacity of 30 metric tonnes of fresh fruit bunches (FFB) per hour. The mill is also receiving and processing crops from smallholders and villagers nearby the estate.

JPOM 2 have ISCC/MeSTI/Halal/HACCP/MSPO certification beside of RSPO P&C and Supply Chain.

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

The FFB sourced from company owned estates that were certified. Details of the FFB contribution from each source to the JPOM 2 are shown in the following tables:

Table 1: Actual FFB production by the supply base for the reporting period (Jan 2022 to June 2022)

CU own estates	FFB Production	
	Tonnes	Percentage (%)
Kapis Estate	738.82	4.10
Harus Abadi S/B	2635.51	14.63
First Raintree S/B	1740.12	9.66
Other Supply Bases (Non-Certified)		
Bukit Kretam S/B	8135.75	45.18
Sangi Enterprise S/B	118.14	0.66
Lebijaya S/B	1292.53	7.18
Casem S/B	107.65	0.60
Tabin Estate	1614.58	8.97
Northbank Estate	1191.89	6.62
LPC Plantations S/B	389.05	2.16
Khoo Chin Hung S/B	36.36	0.20
Spark Glory S/B	7.08	0.04
TOTAL	18007.48	100

Table 2: Projected FFB production by supply base for the reporting period (July 2022 to June 2023)

FFB Supplier	FFB Production		Certifying CB
	Tonnes	Percentage (%)	
Kapis Estate	48160.00	49.93	
Other Supply Bases (Certified Non-CU)			
First Raintree S/B (Certified Under Harus Abadi, since 16/03/20)	3875.00	4.02	
Harus Abadi S/B	5150.00	5.34	
Chua Soon Lee S/B	0	0	
Other Supply Bases (Non-Certified)			
Bukit Kretam S/B	30859.00	31.99	
Sangi Enterprise S/B	2660.00	2.76	
Lebijaya S/B	4500.00	4.66	
Casem S/B	1260.00	1.30	
Total	96464.00	100	

Table 3: Actual FFB received and CPO & PK dispatch by Mill for the last reporting period (Jan 2022 to June 2022)

RSPO Supply Chain Model : MB	Total (MT)
FFB Received	18007.48
FFB Processed	18007.48
Certified FFB Processed	5114.45
Non-certified FFB Processed	12893.03
Crude Palm Oil (CPO)	
Overall CPO Production	3486.94
Certified CPO Production	986.10
Certified CPO delivered as RSPO	0
Certified CPO delivered as non-RSPO	0
Certified CPO delivered under other sustainable schemes	0
Credits traded thru Book & Claim	0
Palm Kernel (PK)	
Overall PK Production	975.05
Certified PK Production	284.52
Certified PK delivered as RSPO	279.99
Certified PK delivered as non-RSPO	0
Certified PK delivered under other sustainable schemes	0
Credits traded thru Book & Claim	0

Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period (January 2022 to December 2022)

RSPO Supply Chain Model: MB	Total (MT)
FFB Received	48,160.00
FFB Processed	48,160.00
Certified CPO Production (CU)	*9,777.00
Certified PK Production (CU)	*2,313.00

*The projection of CSPO & CSPK production has been based on 100% crop from its supply base i.e. Kapis Estate, processed by JPOM2. Crop diversion was not considered.

Table 5 Planted and certified area of the Jeroco 2 CU

Estate	Planted (ha)	Certified (ha)
Kapis Estate	2,342.00	2,681.00
Total	2,342.00	2,681.00

Table 6 Planting profile

Estate	Year of planting	Planting Cycle	Mature >3years (Ha)	Immature < 3 years (Ha)	Planted area	% of planted area mature	% of planted area immature
Kapis Estate	1996	1st	796.00	-	796.00	33.99	-
	1997	1st	373.00	-	373.00	15.93	-
	1998	1st	521.00	-	521.00	22.25	-
	2016	2nd	392.00	-	392.00	16.74	-
	2017	2nd	260.00	-	260.00	11.09	-
Total			2,342.00	-	2,342.00	100.00	-

2.3 Organizational Information/Contact Person(s)

The details of the contact person are as below:

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

Hap Seng Plantations is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills. Details provided in the Time Bound Plan described in Attachment 6.

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	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If no, please state reasons	Not applicable.			
	<u>There is no associated smallholders supplying FFB to the CU.</u>			
iv. Any new acquisition which has replaced primary forests or HCV areas	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
3.3 Other changes (e.g. organizational structure, new contact person, addresses, etc.)				
<u>No other changes so far.</u>				
3.4 Status of previous non-conformities *	<input checked="" type="checkbox"/>	Closed	<input type="checkbox"/>	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 significant complaints from stakeholders were observed.</u>				
4.0 DETAILS OF NON-CONFORMITY REPORT				
4.1 For P&C (Details checklist refer to Attachment 3) :				
Total no. of minor NCR(s) (details refer to Attachment 3)	List :	AB 01 2022 (3.7.2)		
Total no. of major NCR(s) (details refer to Attachment 3)	List :	MRS 01 2022 (3.3.1), MRS 02 2022 (6.1.5)		
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 ZULFAKAR
KAMARUZAMAN



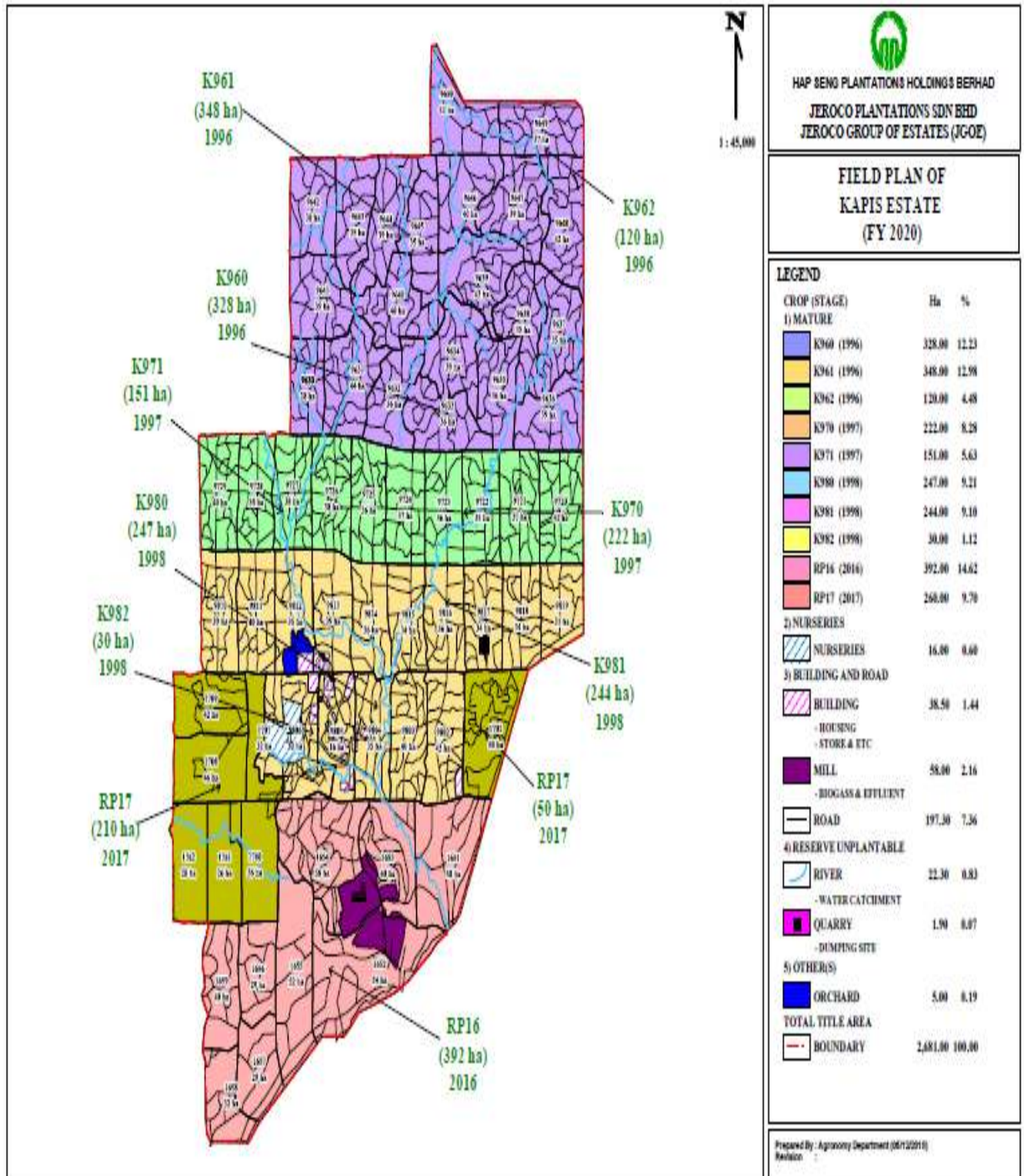
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(Name)

(Signature)

(Date)

Map of Kapis Estate within JPOM 2



**SURVEILLANCE 4
RSPO AUDIT PLAN**

1. Objectives

The objectives of the audit are as follows:

- (i) To determine Certification Unit conformance against the relevant certification standards.
- (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 : 13th - 15th July 2022

3. Site of assessment : Jeroco 2 Certification Unit:
1) Jeroco 2 POM
2) Kapis Estate

4. Reference Standard:

- a. MYNI 2019 of RSPO P&C 2018 / RSPO Independent Smallholder Standard, Nov 2019 / RSPO Management System Requirements and Guidance for Group Certification of FFB Production, March 2018
- b. RSPO Certification System Documents
- c. Company's audit criteria including Company's Manual/Procedures

5. Assessment Team

Lead Auditor : Mohd Zulfakar Kamaruzaman (SCCS, GHG, Metrics Template, TPB)
Auditor :

- 1) Amir Bahari (Safety, Environment, GAP)
- 2) Mohd Razman Salim (Social – Internal)
- 3) Ismail Adnan (Social – External, HCV)

Observer : -

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. Audit Findings

Audit findings shall be classified as major and/or minor. Major nonconformities shall be addressed within 90 days or else the certificate shall be suspended. If the major nonconformities 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 nonconformities raised in the surveillance audit, corrective action shall be verified in the next audit. These shall be upgraded to major nonconformities if the corrective actions are not satisfactorily implemented in the next audit.

9. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain.

In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

10. Working Language : English and Bahasa Malaysia

11. Reporting

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

12. Facilities Required

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

13. 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 2021 to December 2021, and
 - ii. 12-month period counting up to two months before audit month: **Apr 2021 to May 2022**
- b) Reporting time frames for demographic data:
 - i. For mill and estate workers: as of 31 December 2021
 - ii. For smallholders and outgrowers: January 2021 to December 2021
- c) Reporting time frame for all other social and environmental data:
 - i. January 2021 to December 2021

The updated Metrics Template (as attached, the version 2.0) will be enforced from 1 August 2021. All audits conducted from 1 August 2021 onwards must use the updated Metrics Template (version 2.0).

Assessment Programme Details : As below

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Date / Time	Coverage of assessment / Activity / Site	MZK	IA	MRS	AB
Day 1-13/7/22 8.30am – 9.00am	Opening Meeting – Venue: PCO Audit team Leader - Briefing on assessment objectives, scope, methodology, confidentiality clarification, audit criteria and programmes Organization Representative - Briefing RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB supply bases , Time bound plan, actions taken to address previous audit findings.	/	/	/	/
9.00am – 12.30pm	Site observation to Jeroco POM 2 P1, P2, P3, P4, P5, P6, P7 <ul style="list-style-type: none"> • Occupational safety & health aspects , chemical management • Interview with workers, contractors etc. • Environmental management, waste & chemical management • Land titles user rights • Social aspects - SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the CU • Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, • New planting • Occupational safety & health aspects, chemical management • Interview with workers, contractors etc. • Environmental management, waste & chemical management 	/	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/	/
1.30pm – 5.00pm	Continue assessment at respective sites	/	/	/	/

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Date / Time	Coverage of assessment / Activity / Site	MZK	IA	MRS	AB
Day 2 – 14/7/22 8.30am – 12.30pm	Site observation to Jeroco POM 2 P1, P2, P3, P4, P5, P6, P7 <ul style="list-style-type: none"> • Occupational safety & health aspects , chemical management • Interview with workers, contractors etc. • Environmental management, waste & chemical management • Land titles user rights • Social aspects - SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the CU • Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, • New planting • Occupational safety & health aspects, chemical management • Interview with workers, contractors etc. • Environmental management, waste & chemical management 	/	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/	/
1.30pm – 5.00pm	Site observation to Kapis Estate P1, P2, P3, P4, P5, P6, P7 <ul style="list-style-type: none"> • Verification of basic information estate/Metric templates • Confirmation of time bound plan & review of partial certification • Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • Occupational safety & health aspects , chemical management • Interview with workers, contractors etc. • Environmental management, waste & chemical management • Social aspects -SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the estate • Interview with gender committee, safety committee, worker representative/Union, contractors, supplier, etc. • Land titles user rights • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, Peat Management, Buffer Zones, BMP for Buffer Zones. • GHG Calculation • New planting 	/	/	/	/

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Date / Time	Coverage of assessment / Activity / Site	MZK	IA	MRS	AB
Day 3 – 15/7/22 8.30am – 12.30pm	Site observation to Kapis Estate P1, P2, P3, P4, P5, P6, P7 <ul style="list-style-type: none"> • Verification of basic information estate/Metric templates • Confirmation of time bound plan & review of partial certification • Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • Occupational safety & health aspects , chemical management • Interview with workers, contractors etc. • Environmental management, waste & chemical management • Social aspects -SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the estate • Interview with gender committee, safety committee, worker representative/Union, contractors, supplier, etc. • Land titles user rights • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, Peat Management, Buffer Zones, BMP for Buffer Zones. • GHG Calculation • New planting 	/	/	/	/
12.30pm – 1.30 pm	Lunch Break (Friday Prayer)	/	/	/	/
2.30pm –3.00pm	Continue assessment at respective site	/	/	/	/
2.30pm –4.00pm	<ul style="list-style-type: none"> • Audit Team Discussion 	/	/	/	/
4.00pm – 5.00pm	Closing meeting	/	/	/	/

Note: This audit plan is subject to change whenever necessary, and the Client's representative will be informed of any changes

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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	Jeroco 2 CU is committed to provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making by upon request. There was procedure available on communication as evidenced in Jeroco 2 CU, named “ <i>Prosedur Memohon Maklumat Syarikat</i> ” (Request for Information Procedure). The procedure had involved internal and external consultation. The procedure provided a form to be filled up by any stakeholder who has the interest to request any information pertaining to Principle 1. Nonetheless, the method of requesting information was not limited by filling up the form alone. It was also described in the procedure that other means of request such as verbal or in writing, would also be entertained.
	1.1.2 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 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 estate and mill maintain records of communication and consultation with external and internal parties. These includes communication with DOSH, Labour Department, Immigration Department, Department of Environment, suppliers and their own workers. Comments/recommendations by DOSH and DOE on mill and estate operation were recorded in the respective DOSH and DOE inspection book. It was noted during this surveillance audit that there were no requests of information from the authority and stakeholders with regards to the agriculture practice, environment, and safety and health requirements.
	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 estate and mill were maintained to be followed and available at the audited sites. An examination of the records kept in the internal and external communication files found that the estates and mill had followed the procedures and manuals developed by the company regarding communication. In the case of internal communications, records of meetings, briefings

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Clause	Indicators	Comply Yes/No	Findings
			and memos were sighted. Notices and posters / pamphlets were displayed on notice boards at the office and the muster ground hence used as a means of internal communication. Regular morning briefings were held by the management to communicate policies, procedures, rules and regulations and other information to its employees.
	1.1.5 There is a current list of contact and details of stakeholders and their nominated representatives.	YES	The stakeholder lists for Jeroco 2 CU were all available and sighted during the surveillance audit. The lists were updated as of July 2022.
1.2 The unit of certification commits to ethical conduct in all business operations and transactions.	1.2.1 A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.	YES	Jeroco 2 CU has documented policy to committing on integrity for all their staffs and workers by publishing <i>Anti-Bribery and Corruption Policy (ABC Policy)</i> . The CU has communicated the policy for new staffs and foreign workers during induction course.
	1.2.2 A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.	YES	The company established Internal Audit to monitor the compliance and implementation of the policy throughout the plantations. The contractors and vendors signed on the ABC Policy where they complied with the COBC and other law and regulation. The overall ethical business practice was regularly monitored through the internal audit conducted by the HSP Sustainability Team and Consolidated Berhad (HQ Department).

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, Jeroco 2 CU continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and Sustainability/Agronomy Dept. The CU had obtained and renewed license and permits as required by the law
	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	The CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that were applicable to them. The Sustainability / Agronomy Department is responsible to track changes and the information was disseminated to all its plantations and Mill department.
	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	During the site review, the physical markers were visibly maintained at Kapis Estate. The perimeter boundary of the estate was visibly maintained with wooden posts along the boundary, especially the ones that adjacent to other private estate.

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Clause	Indicators	Comply Yes/No	Findings
2.2 All contractors providing operational services and supplying labour and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.	2.2.1 A list of contracted parties is maintained.	YES	The list of contracted parties is maintained by each unit in its respective stakeholder list. The lists contain name of contractors, designated contact persons, address, telephone/fax/email and type of contracted works done. The list of stakeholders for Jeroco 2 POM and Kapis estate were available and sighted by the auditor team.
	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	Each contract issued to suppliers and contractors contain a clause requiring compliance with legal requirements. The contracts contain a provision that the contractor shall comply with the provisions of the relevant Acts, regulations and by-laws.
	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 contracts, including those for FFB supply were handled by Processing Department at PCO. Based on contract agreement sampled, it was sighted that contract agreement included addendum which contained clauses disallowing child, forced and trafficked labour and where young worker is employed are protected.
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	The evidence documents available in the 'Smallholder File'. There are 6 Smallholder and Small grower send their FFB at JPOM 2.
	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 Jeroco 2 POM there is no practice of 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	Jeroco 2 mill and all the estates possessed respective annual budget for 2023 with projections until 2027. There is a 5-year financial plan comprising of both OPEX and CAPEX. The plan reviewed during the conduct of audit.
	3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available.	YES	The replanting programs are documented in the “ <i>Replanting Programme J2GOE 2022-2027</i> ”. The progress of the replanting is monitored and recorded by individual units with monitoring from the Head Office Management with final approval made by Chief Executive Group Plantations. The replanting programme is reviewed at minimum 1x/yearly. Other reviews are subjective based on situational needs of the company. This is made by the Plantation Management Committee.
	3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	YES	The Management Review Meeting (MRM) was conducted after internal audit in May 2022 (by Sustainability Teams). The MRM was attended by all the estates and POMs manager/GM and sustainability team. It was chaired by Sustainability Chairman. Management has transparently addressed continuous suitability, adequacy and effectiveness of the requirements for effective implementation of RSPO.
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 continuous improvement in key operations.	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 were available. The Jeroco 2 CU 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, MGT action Plan and CIP for Jeroco Group of estates and Jeroco Palm Oil Mill 1 and 2 were updated (4 th review) in July 2022. The updated plan above had each of the issues 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 before the audit started. The auditor already verified and checked the data and figure given was tele with their database system.
3.3 Operating procedures are	3.3.1 (C) Standard Operating Procedures (SOPs) for the unit of certification are in place.	NO	Both the mill and estate operations in the organization are guided by the Group Manuals and Standard Operating Procedure. The mill processing guidelines and standards are detailed via the Standard Operation Standard. Review of documents found there are migrant workers from Indonesia and

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Clause	Indicators	Comply Yes/No	Findings
appropriately documented, consistently implemented and monitored.			Philippines that apply for work at the CU i.e. individual with passport and individual without passport. However, the recruitment procedures for these migrant workers titled 'Recruitment, Selection, Hiring, Termination, Retirement and Promotion of Workers (local & Foreign) dated 31/05/2020 did not clearly describe the recruiting procedure for foreign workers via "walk in process" or/and via "agent/quota basis". The procedure also did not clearly outline the mechanism to ensure 'recruitment fees' are not forced on migrant workers employed by the CU. Thus, Major NCR MRS 01 2022 was raised.
	3.3.2 A mechanism to check consistent implementation of procedures is in place.	YES	Both the estate and the Mill had an established mechanism to perform checking to ensure consistent implementation of procedures. Internal audit by the Agronomy Dept (Sustainability Unit) scheduled 2x/year for each unit. The exercise is to inspect and monitor compliance on ISCC/MSPO/RSPO standard requirement. Results from assessment of which are tabled and discussed during the Management Review.
	3.3.3 Records of monitoring and any actions taken are maintained and available.	YES	The implementation of SOP is monitored on a daily basis by the field staffs and Assistant Managers with overall overview by the Managers. The monitoring is made via supervision and records maintenance. Records of follow up action, if any, are retained.
3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.	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.	YES	There was no new planting in Jeroco 2 CU. Environmental Aspect and Impact (EAI) and Social Impact Assessment (SIA) was conducted internally considering activities associated to estate and mill operations. Thus, this indicator not applicable.
	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	The Social Impact Assessment (SIA), Management Action Plans and Continuous Improvement Plans Report for Jeroco 2 CU's estate and mill was prepared by the Agronomy Department (Sustainability Team) with revision and reviewed in July 2022. The SIA report presented the estates' and mill's background information, labour policies, grievance procedures (internal, external land owner issues), sexual harassment policies, facilities and amenities offered by the estate and POM, and the social impact assessment procedures and results. The report includes both positive and negative impact and its recommendation. For Jeroco 2 CU, the SIA and EIA reports separated. Environmental Impact Assessment (EIA), Management Action Plans and Continuous Improvement Plans which covers form upstream activities such as FFB reception until downstream processes was sighted during assessment. Last reviewed on 8/7/2022 by Agronomy Department (Sustainability Team). Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the most significant environmental receptors are the boiler stack emission which associated with air emission, palm oil mill effluent (POME) discharge to land application.

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Clause	Indicators	Comply Yes/No	Findings
			<p>The recent EIA Environmental Aspect Impact assessment was reviewed in July 2022 to cover all activities in the Jeroco II CU/Groups. The chief main purpose for this assessment was to evaluate and analyze impact on soil, water, and lair associated with the organization activities. The environment aspects assessed among others are</p> <ul style="list-style-type: none"> a) agrochemical applications, b) land and water contamination from hazardous material and farm vehicles, c) Human settlement disturbance and abandonment.
	<p>3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</p>	<p>YES</p>	<p>For Jeroco 2 CU, the SIA and EIA reports separated. Environmental Impact Assessment (EIA), Management Action Plans and Continuous Improvement Plans which covers form upstream activities such as FFB reception until downstream processes was sighted during assessment. Last reviewed in July 2022 by Agronomy Department (Sustainability Team). Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the most significant environmental receptors are the boiler stack emission which associated with air emission, palm oil mill effluent (POME) discharge to land application.</p> <p>For Kapis Estates, the assessment was to evaluate and analyse the operations impact on soil, water, and air associated with the organization activities. The EIA review process had included stakeholders' consultation with regards to environmental aspects, impacts, and pollution control, and ERT, HCV and land usage issues. The reviews done had involved respective Managers, Assistants and Sustainability Team with external stakeholders such as from Govt. agencies, neighboring estates, local villagers, suppliers and contractors. So far, no issues related to environmental has been highlighted during stakeholders meeting.</p> <p>At the POM, specific impacts identified include biogas, smoke emissions, noise levels, POME and EFB management. Data were collected and analysed for compliance with relevant regulations and further actions needed were documented and implemented. There are no significant changes from the current EIA established practice. Due to no changes identified in the mill operation, therefore no timetable for any change is required. During mill visit, the EIA was used as guide and no discrepancy found. The person in charge and the control required were properly recorded in the management plan. At the Estates, field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal, landfill management, road maintenance, wildlife and land conservation activities. The mitigation measures were continued to be implemented to minimise the negative impacts.</p> <p>It was evident that the stakeholder consultation conducted, and the stakeholder feedback were recorded in the SIA plan. So far, no negative impact issues related to social have been highlighted during stakeholders meeting.</p>
<p>3.5 A system for managing human resources is in place.</p>	<p>3.5.1 Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers</p>	<p>YES</p>	<p>Employment procedures which include recruitment, selection and hiring are contained in a document entitled Standard Operating Procedure (SOP) – Recruitment, Selection, Hiring, Termination, Retirement and Promotion of Workers (Local & Foreign). 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.</p>

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Clause	Indicators	Comply Yes/No	Findings
	and their representatives where applicable.		
	3.5.2 Employment procedures are implemented, and records are maintained.	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). 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.
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	Kapis Estate 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; <ul style="list-style-type: none"> a) Change in work process b) Revision/changes in legislative requirement c) Occurrence of accidents <p>The estate had list of review on HIRARC updated as of Feb 2022 respectively. While the mill is updated as of May 2022.</p>
	3.6.2 (C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.	YES	HSP Health and Safety plan among others include the following: <ul style="list-style-type: none"> a) No fatality / penalty b) to enhance OSH awareness through ESH training <p>The implementation of OSH plan was monitored by internal audits conducted by Sustainability team.</p>
3.7 All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.	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 gender-specific needs, and which covers applicable aspects of the RSPO P&C, in a form they understand, and which includes assessments of training.	YES	A Formal training program which covers all aspects of RSPO P&C was available for year 2022. The Program was established based on training needs identification. Regular assessments of the effectiveness training continued conducted by the CU management. Training plan for 2022 had been established with target month/dates for the training identified.
	3.7.2 Records of training are maintained, where appropriate on an individual basis.	NO	Training with briefing on the estate and mill operations were provided for workers. This is aimed to educate them on safe working practices to ensure applicable precautions are adhered. Training for employees is conducted from time to time based on needs through various method such as on the job training, briefings, meetings, etc. The understanding/awareness of the tools keeping of high safety risk at the housing area is

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Clause	Indicators	Comply Yes/No	Findings
			not being effectively briefed to the employees. Kapis Estate 15/07/2022 - Site visit to the workers housing area has observed that 2 harvesting pole/knife being kept leaning to a tree within vicinity of the housing compound Block C. The tools are being used for tree compound maintenance. Workers were unaware on the procedure/guideline in relation to such practices. <i>As such an NCR AB 01 of 2022 is raised.</i>
	3.7.3 Appropriate training is 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	Appropriate training for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS) has been conducted in June 2022 attended by 8 person including PIC, Clerk, Assistant Engineer, Staff, Weighbridge Operator and Attendance list & photograph was seen.

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.
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	Jeroco 2 POM received certified FFB from own Estate Which is Kapis Estate, Diversion from another CU which is Batangan Estate, Lokan Estate, Lungmanis Estate, Lutong Estate, certified FFB from surrounding smallholder and smallgrower (First Raintree, Harus Abadi) and Uncertified FFB from own company (Tabin Estate, Northbank Estate) Surrounding Smallgrower and Small holder which is 9 suppliers (LPC Plantations, Khoo Chin Hung, Lim Engit Fun, Koperasi Pembangunan Desa, Chin Hock Vui, Casem Sdn Bhd, Sangi Enterprise Sdn Bhd, Lebijaya, Bukit Kretam).
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	YES	Projection data available as in Table 4-MB of this report.

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	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.		
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. Copy of Shipping Announcement was provided during the audit as evident of compliance to reporting requirement as listed by the standard.
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>Jeroco 2 POM had used their documented procedure title '<i>Standard operating procedures for Supply Chain SOP/COC/001</i>, and 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 <p>Appendix 1: Weighbridge Tickets and Delivery Notes RSPO (& ISCC) Stamping Procedure</p> <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 noncertified FFB.</p>
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 	YES	<p>Audit report has also been established. The audit was conducted against the RSPO Supply Chain Certification Standard Revision 2020 requirements. RSPO internal audit was conducted in April 2022 by internal appointed auditors. 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. The management review is conducted once a year, dated in May 2022 (combine RSPO, RSPO SCCS and MSPO)</p> <ul style="list-style-type: none"> • Internal audit – 0 NCR (SCCS only) • Customer feedback – data analysis show result from customer survey (i.e.

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	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.		<p>RSPO-CSPO related to meeting the contract volume, timely delivery, dispatch documentation) result achieved.</p> <ul style="list-style-type: none"> • Previous meeting – was highlighted (to improve format of MR) • Changes – There is no significant changes accept transfer of Assistant Manager. • Recommendation for improvement – improve the established system
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>Jeroco POM 2 had continued to receive certified FFB from own Estate Which is Kapis Estate, Diversion from another CU which is Batangan Estate, Lokan Estate, Lungmanis Estate, Lutong Estate, certified FFB from surrounding smallholder and smallgrower (First Raintree, Harus Abadi) and Uncertified FFB from own company (Tabin Estate, Northbank Estate) Surrounding Smallgrower and Small holder which is 9 suppliers (LPC Plantations, Khoo Chin Hung, Lim Engit Fun, Koperasi Pembangunan Desa, Chin Hock Vui, Casem Sdn Bhd, Sangi Enterprise Sdn Bhd, Lebijaya, Bukit Kretam).</p> <p>No overproduction noted.</p> <p>The mechanism for handling non-conforming oil palm products and/or documents is in-place.</p>
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> <ol 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>The procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by Hap Seng Plantation Shipping Department (HQ) on behalf of Jeroco 2 POM. Sample of deliveries document were sighted during the audit and it was found all related information were adequate. Jeroco 2 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>	YES	Not Applicable since transportation and storage of certified finished products are handled internally using budge system. Should there be any additional transporter used in future to carry certified CPO/ PK, JPOM2 prepared Minor Job Contract for acknowledgement by hired service provider informing on the RSPO SCCS requirements.
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	Not Applicable since transportation and storage of certified finished products are handled internally using budge system.
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.
3.8.12	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	The relevant record pertaining to RSPO SCCS within JPOM2 found to be updated accordingly and easily accessible during the audit. Relevant record pertaining to implementation of RSPO SCCS within JPOM2 retained for minimum 2 years as per procedure. JPOM2 also had established various reporting template to ensure that they will be able to track movement of their certified FFB as well as finished products (CPO & PK).
	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	
	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.

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	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 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.)	YES	JPOM 2 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 'Supply Chain MB'.
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	Jeroco POM2 process all the received certified crop & their processing output will be based on their actual Oil Extraction Rate (OER) as well as Kernel Extraction Rate (KER). These figures were monitored on daily & monthly basis by the mill using the prepared template (e.g. Monthly Production Report – Physical Movement) to ensure their accuracy as well as monitoring of their ongoing performance.
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	YES	
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.
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 more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. 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	YES	The registration of transaction being carried out by Group Plantation Marketing subordinate. Mill receive copy of transaction input to the system on monthly basis based on contract summary (buyer weight being put in). JPOM2 through usually handled by procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by Hap Seng Commodities Trading Department (HQ) on behalf of Jeroco 2 POM. The Personnel updated the RSPO IT platform system upon confirmed contract.
3.8.17	Claims The mill shall only make claims regarding the production of RSPO	YES	Relevant information on product claim (including applicable SC model and certificate no.) being correctly indicated in the relevant outgoing paperwork e.g.

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Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.		PK billing, CPO billing, JPOM2 weighbridge advice ticket and JPOM2 palm kernel/ CPO delivery note. JPOM2 apply RSPO trademark with license no. 1-0098-11-100-00. JPOM2 adhered to 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).

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 was made available at Kapis estate and Jeroco 2 POM. There is also a new sustainable Agriculture Policy signed 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.
	4.1.2 The unit of certification does not instigate violence or use any form of harassment in their operations.	YES	As at time of audit, it was confirmed that the unit of certification does not instigate violence or use any form of harassment, including the use of mercenaries and paramilitaries 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	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	YES	The estate and mill have developed procedures to handle grievances and disputes titled as 'Procedure for reporting complaints and grievances (Prosedur Melapor <i>Aduan dan Permasalahan</i>)' and 'Grievances Procedure – Appendix 1, Prosedur Aduan and also company has developed procedure named 'Mekanisme Melindungi Pengadu Terhadap Tatacara tidak Wajar (Whistleblower)' to protect the complainants.

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Clause	Indicators	Comply Yes/No	Findings
affected parties.	respect for HRD.		
	4.2.2 Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.	YES	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. Sighted document for Jeroco 2 CU showed briefing the stakeholders meeting during JCC meeting held in June 2022 (Internal Stakeholder) and in Apr 2021 (External Stakeholder). For foreign workers, the procedure was explained during initial report for duty with assistance of translators.
	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	Jeroco 2 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 June 2022 (Internal Stakeholder) and in Apr 2021 (External Stakeholder) at Jeroco 2 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 Jeroco 2 CU in resolving disputes and grievances exists in the procedure called 'Prosedur Melapor <i>Aduan dan Permasalahan</i> ' and 'Grievances Procedure – Appendix 1' for staffs and workers. The Mill and Estates within Jeroco 2 CU each has its own Internal Complaint Form/Book and External Communication/Complaint Form/Book available. The Internal Complaint Books are mostly for employees to lodge complaint pertaining to their houses. The external stakeholder complaint record/book reviewed did not show complaints against the CU. Sighted also was the new Procedure title 'The Grievance procedure' has included an 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.
4.3 The unit of certification contributes to local sustainable development as agreed by local communities.	4.3.1 Contributions to community development that are based on the results of consultation with local communities are demonstrated.	YES	Sighted record showed Hap Seng Plantations Holdings Bhd had contributed in 2021 an amount of money towards Community development which included Ferry, Road Maintenance and Clinic services. It included building of a Humana at Kapis Estate for foreign worker's children. Donation were provided related to operation of the Humana. Nevertheless, there was no local community living nearby or within the Jeroco 2 CU plantation area.
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	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	YES	The right to use the land at the Jeroco 2 CU can be demonstrated and not disputed by any party. Evidence of legal ownership of the land including history of land tenure was verified during this audit. For Kapis Estate the land was previous owned by Sabah Land Development and Jeroco Plantations Sdn Bhd has bought and develop the land in 01/01/1980. There were clear land ownership documents available for review. The original copies of the documents were kept in Plantation Central Office, Sg. Segama. Copies of land titles for the estate was also sighted at Kapis Estate office. The Kapis estate is under the jurisdiction of Kinabatangan District. Review of the documents confirmed the terms of the land title for the estate which was for 'cultivation of an agricultural crop of economic value', hence, had been complied with by Jeroco 2 CU.

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Clause	Indicators	Comply Yes/No	Findings
consent.	land are available.		As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Jeroco 2 CU since 1980. The audit team had confirmed that there were no land issues related to previous owners.
	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 on their land have been understood implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land.	YES	
	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	YES	

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Clause	Indicators	Comply Yes/No	Findings
	affected parties (including neighboring communities where applicable, and relevant authorities).		
	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 stakeholders. There was no local communities living in or neighbouring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities.
	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.
	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.
4.5 No new plantings are established on local peoples' land where it can be 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	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 Jeroco 2 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 Jeroco 2 CU. The audit team had confirmed that there were no land issues related to previous owners and this was confirmed through interview with relevant stakeholder such as the IOI Plantation, Harus Abadi Sdn Bhd, First Raintree Sdn Bhd, Bukit Kretam Sdn Bhd, Casem Sdn Bhd, Sangi Enterprise Sdn Bhd, LKM Trading, Lebijaya Sdn Bhd. Documents showing identification and assessment of demonstrable legal, customary and user rights are not applicable.
	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	YES	As reported in 4.4.1 of this checklist, Jeroco 2 CU has been developed since 1980, 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 stakeholders i.e. IOI Plantation, Harus Abadi Sdn Bhd, First Raintree Sdn Bhd, Bukit Kretam Sdn Bhd, Casem Sdn Bhd, Sangi Enterprise Sdn Bhd, LKM Trading, Lebijaya Sdn Bhd. There was also no local communities living in or neighbouring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities and FPIC.

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Clause	Indicators	Comply Yes/No	Findings
representative institutions.	access to independent advice through a documented, long-term and two-way process of consultation and negotiation.		
	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, Jeroco 2 CU has been developed since 1980, 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.
	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, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.	YES	As reported in 4.4.1 of this checklist, Jeroco 2 CU has been developed since 1980, 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. .
	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, Jeroco 2 CU has been developed since 1980, 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.

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Clause	Indicators	Comply Yes/No	Findings
	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, Jeroco 2 CU has been developed since 1980, 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.
	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, Jeroco 2 CU has been developed since 1980, 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.
4.6 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with thru a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	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	Jeroco 2 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 ensure 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.
	4.6.2 (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 stakeholders 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 Jeroco 2 CU.

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Clause	Indicators	Comply Yes/No	Findings
	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 Jeroco 2 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 agreements.	4.7.1 (C) A mutually agreed procedure for identifying people entitled to compensation is in place.	YES	Jeroco 2 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 stakeholders such as the As reported in 4.4.1 of this checklist, Jeroco 2 CU has been developed since 1980, 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.
	4.7.3 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.	YES	This requirement in this indicator was not applicable for Jeroco 2 CU.
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	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 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, Jeroco 2 CU has been developed since 1980, 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 also no local communities living in or neighbouring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities and FPIC. This Indicator is thus, not applicable.

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Clause	Indicators	Comply Yes/No	Findings
rights.	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	As reported in 4.4.1 of this checklist, Jeroco 2 CU has been developed since 1980, 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.
	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 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).	YES	As reported in 4.4.1 of this checklist, Jeroco 2 CU has been developed since 1980, 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. There was also no local communities living in or neighbouring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities and FPIC. This Indicator is thus, not applicable.
	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 neighboring communities where applicable).	YES	As reported in 4.4.1 of this checklist, Jeroco 2 CU has been developed since 1980, 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 stakeholders such as IOI Plantation, Harus Abadi Sdn Bhd, First Raintree Sdn Bhd, Bukit Kretam Sdn Bhd, Casem Sdn Bhd, Sangi Enterprise Sdn Bhd, LKM Trading, Lebijaya Sdn Bhd and from the interviews, it can be concluded that there was no evidence of any land dispute at Jeroco 2 CU. There was also no local communities living in or neighbouring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities and FPIC. This Indicator is thus, not applicable.

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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	It was observed that the JPOM2 has displayed the current and past FFB prices from Dec 2021 until to date (June 2022) at their weighbridge station. It was also displayed at the weighbridge to be observed by the FFB transporter/supplier. The prices were also provided in the monthly payment statement to FFB suppliers
	5.1.2 (C) Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders.	YES	There is evidence that Jeroco 2 POM regularly explains the FFB Pricing to Smallholder.
	5.1.3 (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.	YES	In Jeroco 2 POM Price for FFB follows MPOB Pricing. All prices are calculated by the MPOB and the mill follows the price to what MPOB guidelines provided. Hap Seng Management also gives allowance to the Smallholder if they send FFB to the mill based on tonnage.
	5.1.4 (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are 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.	YES	Agreements between FFB outsider supplier with JPOM2 were available and sighted. During interview with FFB Supplier above they stated that they are involved in decision-making processes and understand the contracts including involving finance, 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 smallholders 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	Contracts between Hap Seng Plantations Sdn Bhd and FFB suppliers sighted were fair, legal and transparent and have an agreed timeframe. They 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	YES	Weighing Equipment in Jeroco 2 POM has been calibrated in yearly basis using Metrology Corporation Malaysia Sdn Bhd last in Dec 2021.

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Clause	Indicators	Comply Yes/No	Findings
	(this can be government).		
	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.
	5.1.9 (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.	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, <i>Prosedur Aduan</i> and also company has developed procedure named " <i>Mekanisme Melindungi Pengadu Terhadap Tatacara tidak Wajar (Whistleblower)</i> ", to 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 consults 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. It was evident that 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 are 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. Hap Seng had established RSPO Monitoring Schedule for HSPSB External Independent Smallholder/Outgrower for 2021 and 2022 to ensure operations/training/monitoring in support of the smallholders are implemented.

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Clause	Indicators	Comply Yes/No	Findings
	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. Hap Seng had established RSPO Monitoring Schedule for HSPSB External Independent Smallholder/Outgrower for 2021 and 2022 to ensure operations/training/monitoring in support of the smallholders are implemented.
	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.
	5.2.5 The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.	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 Seng Plantation Holdings Berhad 2019 ACOP report in the clause G.4.4.1. As of to date 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	Evidence is available that no employee has been discriminated against. This is evident from sampled employment contracts where all workers, (male, female, foreign, local) signed the same employment contract. Workers interviewed also confirmed that they face no form of discrimination. Foreign workers and local workers received similar pay rate, stay in the same house, and enjoy similar medical benefits as their local counterparts. Interviews also revealed that there is no discrimination on any bases in the estate/mill. However, due to government policies, education opportunities differ between local and

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Clause	Indicators	Comply Yes/No	Findings
			<p>foreign children. It also stated in the Equal Opportunity Policy. Workers' pay slips were also sampled which showed that workers receive the same amount of daily rate of RM57.70 per day for the same work irrespective of gender, age or nationalities.</p> <p>There was no recruitment agent for hiring migrant workers appointed by the CU as verified during the audit. Since year 2020 until 2022, no appointment of recruitment agent or legalization agent appointed by the CU.</p> <p>Review of documents found there are migrant workers from Indonesia and Philippines that apply for work at the CU i.e. individual with passport and individual without passport. However, the recruitment procedures for these migrant workers titled 'Recruitment, Selection, Hiring, Termination, Retirement and Promotion of Workers (local & Foreign) did not clearly describe the recruiting procedure for foreign workers via "walk in process" or/and via "agent/quota basis". The procedure also did not clearly outline the mechanism to ensure 'recruitment fees' are not forced on migrant workers employed by the CU. Major NCR MRS 01 2022 was raised during the audit. Refer to Indicator 3.3.1.</p>
	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 necessary for the jobs available.	YES	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.
	6.1.4 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	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.
	6.1.5 (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.	NO	<p>The gender committees throughout the Jeroco 2 CU are known as the 'Persatuan Perwakilan Jantina'. 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. These relate to sexual harassment, domestic and other forms of abuse, children's health, creche hygiene, no sick children at the creche, childrens' immunization and education, as well as women's reproductive rights, maternity benefits and leave entitlement. Meetings are generally held once a year.</p> <p>There was no discussion or plan during Gender Committee meeting for year 2022 at Jeroco POM 2 and Kapis Estate which highlighted on the opportunities and improvements for women to enhance their knowledge and economy as verified in the minutes of meeting. Only cooking activity and volleyball events were conducted to improve relationship among colleagues were mentioned in the minutes. Thus, Major NCR MRS 02 2022 was raised.</p>

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Clause	Indicators	Comply Yes/No	Findings
	6.1.6 There is evidence of equal pay for the same work scope.	YES	The Hap Seng Plantations Equal Opportunity Policy is publicly available at the offices of the Kapis Estate and Jeroco 2 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.
6.2 Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).	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 languages (English or Bahasa Malaysia) and explained to them in language they understand.	YES	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 Labour 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 Indonesia workers. In addition, their terms of contracts were also explained to them upon arrival at the estate/mill. During interviews of workers (both local and foreigners) at the Jeroco 2 CU, 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 Jeroco 2 CU as per evidence in the indicator 6.2.1. Based on the above, Jeroco 2 CU has demonstrated that employment contracts signed with workers are in compliance with the Sabah Labour Ordinance. The pay slip contains the following information: employee name, employee number, month of pay, work description, (normal work, overtime pay, piece-rate work, public holiday pays, company contributions such as SOCSO, EIS (for Malaysians), KSWP (for Malaysians), deductions such as advance and electricity, average daily rate, total income for the month, total deductions, net pay.
	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 Labour 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
	<p>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.</p>	YES	<p>Evidence is available that the Jeroco 2 CU provide adequate housing and facilities to its employees in accordance with the requirements of the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019. 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 at least twice a month based on housing inspection records.</p> <p>The Jeroco 2 CU provided with treated water by water treatment plant and water sampling test was carried out by monthly for drinking water for human consumption. The results of <i>Total Coliform, Fecal Coliform and E. coli</i> were absent and complied with the National Standard for Drinking Water Quality.</p> <p>Water and electricity are also provided, and the bills are shared among occupants and deducted from their wages.</p> <p>The upkeep (sanitation) for JPOM2 and Kapis Estate worker quarters visited were observed in good maintained. No water clogging at all.</p> <p>Free medical treatment above is provided also to all workers and their dependents.</p>
	<p>6.2.5 The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p>	YES	<p>Jeroco 2 CU was able to demonstrate that efforts are taken to improve workers' access to adequate, sufficient and affordable food. Jeroco 2 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 at Kapis 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.</p>
	<p>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.</p> <p>PROCEDURAL NOTE: A written policy with specific implementation plan, committing to payment of a "decent living wage" is in place. The implementation plan with specific</p>	YES	<p>All sampled workers received at least minimum wages based on Minimum Wages Order 2022. Jeroco 2 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.</p>

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Clause	Indicators	Comply Yes/No	Findings
	<p>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 estate and mill employ full-time employee. And no limitation on the period of service for local and migrant workers. 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 personnel to form	6.3.1 (C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to	YES	The Policy on Freedom of Association and Right to Collective Bargaining is available in bilingual (Malay and English). The policy is posted at the Jeroco 2 POM and Kapis Estate notice board and information wall.

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Clause	Indicators	Comply Yes/No	Findings
<p>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.</p>	<p>all workers, in language that they understand, and is demonstrably implemented.</p>		
	<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.</p>	<p>YES</p>	<p>There are no trade unions at Jeroco 2 CU, but the workers' committees have been established. Appointment of worker's representative was by election among workers through majority voting. The election was conducted in Jan 2022 as verified in the report titled 'Laporan Perlantikan Wakil Pekerja untuk AJK JKPP/Tindakan Kecemasan/Sosial'. the committee comprise management and worker representatives. Evidence is available that management holds regular meetings with the workers' welfare and social committees. Meeting minutes between management representatives and workers' representatives (Joint Consultative Committee) were sighted.</p>
	<p>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.</p>	<p>YES</p>	<p>Evidence is available that all worker representatives were freely appointed by the workers as confirmed during consultation session with the sampled workers' representatives from Jeroco 2 POM and Kapis Estate.</p>
<p>6.4 Children are not employed or exploited.</p>	<p>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.</p>	<p>YES</p>	<p>Jeroco 2 CU subscribes to Child Labour Policy under Sustainable Agriculture Policy. The Policy states that it would not tolerate the use of child or forced labour, nor exploitation of children in any of its global operations and facilities. Wilmar's Child. This SOP also details out the remediation action to be taken should a child is found working. This includes awareness trainings for all employees and contractors, schools should encourage and motivate children to attend school, parents to be advised and warned verbally on the spot not to allow children to assist them, and the child sent home or to an appropriate childcare facility.</p>
	<p>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.</p>	<p>YES</p>	<p>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 Jeroco 2 CU. There also have a documented age screening verification procedure.</p>
	<p>6.4.3 (C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p>	<p>YES</p>	<p>Based on documents sighted, interviews and observations, there was no evidence that the Estates and the Mill employed 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.</p>

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Clause	Indicators	Comply Yes/No	Findings
	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 Jeroco 2 CU involved relevant stakeholders such as government authorities, school's representatives, contractors, internal workers and etc. were briefed on its 'no child labour' policy and the negative effects of child labour and promotes child protection.
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	Jeroco 2 POM and Kapis Estate have displayed policy on sexual harassment titled " <i>Sexual Harassment, Violence and Abuse Policy</i> " and "Flow Chart – Reporting Sexual Harassment (Worker)" at the office notice board. The guidelines emphasize that sexual harassment is a threat to basic human rights and offenders will be punished accordingly, including termination from work. The policy and procedure have been communicated to all the women and men workers during morning musters.
	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	A policy to protect women reproductive rights titled 'Policy on Reproductive Rights' was made available at Jeroco 2 CU. The Policy gives the employees the right to decide freely and responsibly of their planning to have children, and to make decisions concerning reproduction free of discrimination, coercion and violence. During interview with female workers, they really understood their reproductive right and managed to expose their awareness. The policy and procedure also were briefed to all levels of the workforce via Morning Muster, JCC Meeting and Gender Committee.
	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	For year 2022, there are 4 new mothers identified at Kapis Estate. While no new mother at JPOM2.
	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 estate and mill have developed a grievance mechanism. 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.	6.6.1 (C) All workers have entered into employment voluntarily, and the following are prohibited: <ul style="list-style-type: none"> Retention of identity documents or passports (except for administration purposes including legalisation and 	YES	Collective evidence is available that all sampled workers have entered into employment voluntarily. This is based on the following: <ol style="list-style-type: none"> Review of sampled employment contracts which contain mutually agreed termination clause; Review of documents where workers signed consenting for their passports to be kept at the office;

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Clause	Indicators	Comply Yes/No	Findings
	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 employment • Debt bondage • Withholding of wages		3) Interview with foreign workers who confirmed they could have access to the passports at any time; 4) Review of legalization agency quotation between the CU with Agensi Pekerjaan Sri Balung Sdn Bhd and consultation with sampled workers (Indonesian and Philippines) during the audit, it was confirmed that no recruitment fee is payable by the workers (except for passport, medical in and biometrics in home country); 5) Records of punch cards and worker's confirmation that overtime work is mutually agreeable and not forced on them; 6) Confirmation from the foreign workers that they received accurate briefing in their home country on the job they would be doing in Malaysia; 7) And confirmation from the workers that there is no debt bondage or 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	A special labour policy for employment of foreign workers has been addressed in the "Labour Policy for Foreign Workers", dated 15/04/2019. The policy 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.
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	The letter of appointment for the Managers signed by the respective Superiors were sighted for the appointment as the ESH Chairman. The Managers subsequently assigned duties of ESH coordinator to the Assistants for the down line implementation of ESH practices in the estates. 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. At the meetings workers participated in the discussion mainly on housing and safety. All units adopted the agenda as released Sustainability/ Agronomy Dept. This agenda list was sighted and adequate to discuss salient issues relating safety, environmental and health.
	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	YES	The procedures for accident and emergencies have been established. There is formation of ERP Team & ERP for all the identified incidences. In addition the procedures have been summarized in a chart flow form and displayed for information of all employees in the estate. They includes emergencies relating fire, chemical spillage, flood and accident at work place. 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. Procedures guidelines were issued by Agronomy/Sustainability Dept and amended to tailor to the situation differences in the estates and mill.

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Clause	Indicators	Comply Yes/No	Findings
	aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.		ERT members received training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The training are conducted by an accredited or qualified organization who can demonstrate their suitability to provide training. The trained personnel for the First Aid were among the employees working as field staff/mandores. The first aid boxes were available at various points in the estate office, workshop, and store. The estate distributed the first aid box to the mandores and brought along to the field during operations. In addition, there are also first aid boxes kept in the office, store and workshops. Training in relation to ERP and First Aid among of us.
	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	The mill and estates issued PPE to its employees for their protection at workplace. Records of PPE issued are maintained individually to all employees. PPE issued to the workers is safety helmets, safety shoes. Special PPE for workers assigned to height, confined space. Safety shoes issued on a 6 monthly basis and recorded. During the site visit the staff/workers were noted to be equipped with their proper attire & PPE. Acknowledgement of receipt was recorded. Based on the HIRARC carried out at the estates and mill the PPE types for the various activities has been identified and implemented. <ul style="list-style-type: none"> a) Mill operator – Safety shoes, ear muff, safety vest, helmet, cotton glove. b) Water treatment Plant Operator - Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask. c) Harvester- Safety helmet, sickle cover, hand glove. wellington boots d) Sprayers- Respirator, nitrile glove (Chemical Resistant) goggles, wellington boots, apron. e) Manuring- Apron, wellington boots, dust mask, nitrile glove. f) Water treatment Plant Operator - Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask. g) Sighted issuance of PPE record for the following employees in 2021
	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	Both the Estate and Mill in the Jeroco 2 CU uses SOCSO for the coverage for the local and foreign workers. The insurance coverage has ceased effective 2018 following the Government directive on the coverage. Medical services provided by Batangan Estate clinic. Cases requiring severe attention will be referred to district health office and Lahad Datu Hospital.
	6.7.5 Occupational injuries are recorded using Lost Time Accident (LTA) metrics.	YES	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 JKPP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKPP 8 a mandatory requirement for submission to DOSH by Jan of the subsequent year. Cases if any are reviewed during safety meetings.

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Clause	Indicators	Comply Yes/No	Findings
			J2 POM recorded 5 cases of hearing impairment. Remedy of retesting being attended to. Accident cases in Kapis Estate are mainly on FFB operations incidence related to FFB harvesting and stalk cutting factor of slippery grounds. There were no LTI of more than 4 days. All accidents being investigated and recorded.

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	The IPM Plan for the estates has been established and documented in OPAP Chapter 10 - Pest and Diseases revised. Potential pests, thresholds for each pests that calls for chemical treatment, chemical and biological techniques to control pests, minimization of pesticide use and review of plans are illustrated in the IPM plan. Census of pests are made on a monthly basis and the Pests and Diseases Report (Early Warning System) indicates the result of the census. Pest management includes of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. For bagworm control the program includes the planting of beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonan leptopus</i> and <i>Turnera subulata</i> a) Rhinoceros beetles are by using pheromone traps. b) Main pests in the estates are rats. Other pests such as bagworms, nettle caterpillars, rhinoceros beetles and Ganoderma are occasionally encountered. Currently chemical treatment is only applied for rats. Rat baiting campaigns are immediately made when the damage of crop by rats is above threshold level 2 %. Beneficial plants are planted in all estates according to the plan. Records are available Pests & Diseases Report (Early Warning System, Rat Infestation Report, Rat Infestation Status Report. There are no signs of fire used for pest control and this was verified during the field visits and interviews with the employees. Rat pest droppings are not monitored, and this is not a specific requirement of this standard. The estates instead monitored the fresh rat damage to the FFB.
	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	The company personnel are aware of the Global Invasive Species List and CABI.org. There are no invasive species listed in the Global Invasive Species list that are used for pest control in any of the estates. Though no invasive species are used, monitoring of IPM is carried out on a regular basis by the Agronomy team to ensure that no invasive species spreads in the estates.
	7.1.3 There is no use of fire for	YES	The SOP for pest control is stipulated in OPAP 10 titled Pests and Diseases Management. Fire is not

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Clause	Indicators	Comply Yes/No	Findings																																				
	pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with prior approval of government authorities.		used in any circumstances. The Zero Burning Policy is clearly stated on the Sustainable Agriculture Policy dated 15 August 2019. Hence no fire is used for pest control or any purpose whatsoever.																																				
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	<p>Justification of the use of pesticides had been documented. The Manual had included a chemical register list which indicated the purpose of usage (intended target), hazards signage, trade and generic names. The Estates had maintained chemical registers and were updated periodically. The registers were updated on Dec 2021. The chemical used in the estates among others as listed below;</p> <table border="1"> <thead> <tr> <th></th> <th>Chemical name</th> <th>Class</th> <th></th> <th>Chemical name</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Glyphosate iso p/amine</td> <td>III</td> <td>6</td> <td>Cypermethrin</td> <td>III</td> </tr> <tr> <td>2</td> <td>Methamidophos</td> <td>IA</td> <td>7</td> <td>Tric butoxy ester</td> <td>III</td> </tr> <tr> <td>3</td> <td>Glufosinate ammonium</td> <td>III</td> <td>8</td> <td>2,4-D Amine</td> <td>II</td> </tr> <tr> <td>4</td> <td>Triclopyr butoxy</td> <td>III</td> <td>9</td> <td>Brodifacoum</td> <td>IV</td> </tr> <tr> <td>5</td> <td>Metsulfuron methy 20%</td> <td>III</td> <td>10</td> <td>Bayfolan</td> <td>III</td> </tr> </tbody> </table> <p>The class 1A chemical, Methamidophos (Enforce) in the estate was packed individually and kept in a locked separate room with proper ventilation. The chemical was used for a bagworm outbreak in 2013. Chemical (300L) being kept in event of fresh outbreak in the estates. Regulatory requirement for the purchase in 2013 was sighted and complied.</p>		Chemical name	Class		Chemical name	Class	1	Glyphosate iso p/amine	III	6	Cypermethrin	III	2	Methamidophos	IA	7	Tric butoxy ester	III	3	Glufosinate ammonium	III	8	2,4-D Amine	II	4	Triclopyr butoxy	III	9	Brodifacoum	IV	5	Metsulfuron methy 20%	III	10	Bayfolan	III
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	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	<p>The estate had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and active ingredients (ai) per ha.</p> <ul style="list-style-type: none"> a) Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field-cost books and in progress reports. Records of pesticides used were available and verified. b) All pesticides used were those officially registered under the Pesticide Act 1974. The CU had used only class III & class IV pesticides. c) No illegal agrochemicals (stated by local and international laws) in particular paraquat were used in their estate. 																																				
	7.2.3 (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.	YES	<p>Kapis Estate continued to minimize the usage of agrochemicals by implementing IPM. Blanket spraying was not practiced by this CU and soft grasses maintained in the field. It had also been the practice that insecticides are used only after a threshold level has been exceeded as per the HSPHB Oil Palm Agriculture Policy (OPAP).</p> <p>As part of the IPM plans, management of all estates had established nectareous beneficial plants (<i>Cassia cobanensis</i>, <i>Antigonan leptopus</i> and <i>Turnera sublata</i>) nurseries for continuous planting in order to attract natural predators and thus to reduce use of insecticides. During the visit it was observed a number of</p>																																				

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Clause	Indicators	Comply Yes/No	Findings
			beneficial plants had been planted and all 4 estates had plants ready for planting in the nurseries. Pheromone traps to trap Rhinoceros Beetles were sighted in all replants and immature in all the 4 estates.
	7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.	YES	There is no prophylactic use of pesticides. The quantity of agrochemicals required for various field conditions are documented and justified in HSP SOP for estates operations. a) Kapis Estate only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations 2000. b) From the review of the chemical register, it was noted that all pesticides used are of class III & class IV. The use of paraquat had been banned in all estates since 2007.
	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	The estate 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. a) The review of the chemical register concluded that all pesticides used were of class III & class IV. The use of paraquat had been prohibited in all HSP estates. b) There was no evidence of pesticides that are categorized as World Health Organization Class 1A or 1B, or that were listed by the Stockholm or Rotterdam Conventions been used. c) The class 1A chemical, Methamidophos (Enforce) in all Estates was packed individually and kept in a locked separate room with proper ventilation. The chemical was used for a bagworm outbreak in 2013. Chemical being kept in event of fresh outbreak in the estates. Regulatory requirement for the purchase in 2013 was sighted and complied. d) Sighted from records and interviews with workers, staff and estate assistants, concluded that training was held with all precautions being taken and all legal requirements met.
	7.2.5a Judgment of the threat and verify why this is a major threat.	YES	As mentioned above in 7.2.5. of this check list and based on audit findings, there was no evidence of pesticides that are categorized as World Health Organization Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions and no paraquat had been used. Hence, the need for a judgment of the threat assessment does not apply on the Jeroco 2 CU.
	7.2.5b Why there is no other alternative which can be used.	YES	
	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	YES	

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Clause	Indicators	Comply Yes/No	Findings
	the specific outbreak.		
	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	Records showed that pesticides were handled, used and applied by trained persons and as per the SDS of the product. a) The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained, and they had understood the hazards involved and how the chemicals should be handled in a safe method. b) The trade and generic names of the chemicals were made known to the workers through the SDS training. SDS was also displayed at all storage areas as observed during the audit. c) The training included the safety aspects and usage of PPE when handling with pesticides. All workers involved in pesticide application were provided with appropriate PPE and replaced when worn-out. PPE issuance & replacement records were verified by the auditors.
	7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices.	YES	The chemical stores in the estate were found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149). a) Records of purchase, storage and use were maintained. b) All store buildings were equipped with exhaust fans with the door secured. c) Only authorized personnel are assigned to handle the chemicals. d) All the chemicals were segregated in storage accordingly. e) Empty pesticides containers were triple rinsed, holes punched and stored separately in the scheduled wastes store.
	7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.	YES	Empty pesticides containers were triple rinsed, holes punched and stored separately in the SW store. Thereafter disposal arrangement will follow accordingly as per procedure– Scheduled Wastes (Hazardous Waste). Presently all SW are dispatched to the licensed buyer. No containers being used for other purpose in the estates with the exception that some empty chemical containers were recycled for premixing pesticides for onward delivery to field.
	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 information is provided to affected local communities at least 48 hours prior to	YES	Aerial application of agrochemicals is not practiced in all HSP estates in the CU. This is confirmed through observation during the site visit, estate complex and interview with the employees. Such method is no longer in existence in the estate's practices.

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Clause	Indicators	Comply Yes/No	Findings
	application of aerial spraying.		
	7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.	YES	The CHRA for the estates was within the 5-year validity period. The details of the CHRA for all the units in J2 CU as shown below. The CHRA report among others described requirement of medical surveillance to be made for employees handling organophosphate. Medical surveillance as proposed in the CHRA was performed by an OHD. The results for the entire team were positive and declared FIT to handle chemical. The management in addition made medical examination for the fertilizer applicator and rat baiting application for precautionary measures for the workers though not indicated in the CHRA
	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 eq work.	YES	All the estates and mill in the CU complied with procedure and guidelines provided in the <i>Polisi Pengendalian Racun Perusak Bertoksik Tinggi in SOP Penyemburan Racun Rumpai</i> whereby <i>no work with pesticides is given to pregnant or breast-feeding women. Tidak dibenarkan pekerja wanita yang MENGANDUNG / MENYUSUKAN anak membuat kerja-kerja penyemburan</i>). The estates maintained the list of sprayers. Identification of pregnancy status is made by the respective appointed Medical Assistant during the monthly check-up. Field interviews with the lady workers confirmed that such a regulation is a standard practice in the estate and in compliance.
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	Jeroco 2 CU has established the <i>Waste Management Plan</i> updated in July 2022. The purpose of the Plan is to avoid / reduce pollution emerged as results of the estate and mill activities. The procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. The waste management as identified and managed by the CU accordingly. The waste management and disposal plan to avoid or reduce pollution had been documented and implemented as discussed in Indicator 5.1.3 above. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation.
	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.	YES	Standard Operating Procedure Scheduled Waste Disposal of empty pesticide containers were carried out as per established procedures. Triple rinsing procedures was continually implemented for empty pesticide containers. The rinsed containers were then pierced and stored prior disposal. Records on usage and disposal were well recorded and documented. Scheduled wastes had been disposed of through a licensed contractor approved by DOE. Each house was provided with dustbin. The wastes were removed weekly and disposed via landfill.
	7.3.3 The unit of certification does not use open fire for waste disposal.	YES	During site visit at Kapis Estate and Jeroco 2 POM, there was no evidence of open fire has been used for waste disposal. All domestic wastes (household and food waste only) at Jeroco 2 CU have been disposed via landfill.
7.4 Practices maintain soil fertility at, or where improve soil fertility to, a level that ensures optimal and	7.4.1 Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.	YES	Kapis Estate adopted an established manuals and standard operating procedures among others as listed below for the day-to-day operations.; The maintaining of soil fertility was guided by its HSPHB's OPAP manual. These SOPs are implemented and monitored. The monitoring of daily implementation of SOPs by estate workers is done by the field conductors, Estate Assistant Managers and Estate Manager. Periodic visits by the agronomists serve as an additional monitoring to ensure that the SOPs have been well implemented and correctly monitored by the estate management. The fertilizer application SOP was latest revised in Oct 2014. Therein elaborating details on the nursery, immature, mature palm manuring type of fertilizers. Application of fertilizer timing and placement were also described. Other information

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Clause	Indicators	Comply Yes/No	Findings																												
sustained yield.			includes sub-soil manuring, fertilizer sampling, and stacking of fertilizer in estate store. Rainfall data, yield trends, level of nutrients in the palm fronds, level of nutrients in the soil, total fertilizer application for each type of organic and inorganic fertilizers are monitored on a monthly basis. There is continuity in the data obtained and utilized for analysis.																												
	7.4.3 A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.	YES	There is a nutrient recycling programme in place. Empty Fruit Bunch (EFB) and Belt Press Solids (BPS) produced by the mill are applied in the field. The strategy includes EFB mulching and application of BPS in the fields in the estates. Records of application are duly retained by the estate.																												
	7.4.4 Records of fertiliser inputs are maintained.	YES	Fertilizer application program was monitored using records like program sheets, bin cards, field cost book, Fertilizer Application monitoring forms, etc. Records of programs and applications of fertilizers were reviewed by auditors. Review of the records revealed that the actual fertilizers applied in 2021/22 was in line with the program..																												
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>Kapis Estate has soil maps detailing their soil profile including marginal and fragile soils. The slope maps identify steep areas within the estate. Figures are in % otherwise stated.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Kapis Estate</th> <th>Ha</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kretam</td> <td>1185.38</td> <td>44.21</td> </tr> <tr> <td>2</td> <td>Kinabatangan</td> <td>165.97</td> <td>6.19</td> </tr> <tr> <td>3</td> <td>Lungmanis</td> <td>114.10</td> <td>4.26</td> </tr> <tr> <td>4</td> <td>Rumidi</td> <td>205.71</td> <td>7.67</td> </tr> <tr> <td>5</td> <td>Lokan</td> <td>1009.84</td> <td>37.67</td> </tr> <tr> <td></td> <td>Total</td> <td>2681.00</td> <td>100.00</td> </tr> </tbody> </table> <p>The topography details are as follows. Figures in ha otherwise stated.</p>		Kapis Estate	Ha	%	1	Kretam	1185.38	44.21	2	Kinabatangan	165.97	6.19	3	Lungmanis	114.10	4.26	4	Rumidi	205.71	7.67	5	Lokan	1009.84	37.67		Total	2681.00	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	There is no replanting on steep terrains. This was verified during the field visits. It was observed that practices to minimize and control erosion and degradation of soils were in place through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. Cover crops were planted in the replants and in some mature areas. The cover crop <i>mucuna bracteata</i> had been planted along some slopes by management. Large areas with <i>neptrolepis biserrata</i> in the inter rows were sighted during the visit.																													
7.5.3 There is no new planting of	YES	This compliance being addressed in the "Slope and River Protection" signed by the CEO stating the following among others; "Slope of >25 degree to be excluded from any new plantation development and																													

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Clause	Indicators	Comply Yes/No	Findings
	oil palm on steep terrain.		replanting program. For slope <25 degree the existing crop all vegetative shall be maintained accordingly”.
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	This is not applicable to Kapis Estate as there is no new plantings made. Soil maps are taken into account in plans and operations of estates to ensure long term suitability of land for palm oil cultivation. Maps are used to identify areas that are inappropriate for planting such as slope maps to indicate steep terrain.
	7.6.2 Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil mgmt. plan for best practices.	YES	There were no marginal and fragile soils in the estate.
	7.6.3 Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.	YES	Construction of drainage is evident at planted areas where water needs to be drained out especially at the terraces at the undulating areas and along the estate roads. Soil analysis and slope mapping have been used to guide the planning of drainage systems. Information obtained from soil analysis and slope mapping is taken into consideration when roads and infrastructure need to be developed. However, as all the estates in this unit of certification has been long established, there is rarely any new additional roads and drainages been developed. There are also no signs of soil erosion, and this was verified during the field visits.
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 Nov 2018 in existing and new development areas.	YES	This is not applicable as there is no peat soil series in Kapis Estate. The fact was supported by the soil map prepared by the Group Agronomy Dept.
	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	This is not applicable as there is no peat soil series in Kapis Estate. The fact was supported by the soil map prepared by the Group Agronomy Dept.

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Clause	Indicators	Comply Yes/No	Findings
	(PLWG) audit guidance (see Procedural Note for 7.7.5 below).		
	7.7.3 (C) Subsidence of peat is monitored, documented and minimised.	YES	This is not applicable as there is no peat soil series in Kapis Estate. The fact was supported by the soil map prepared by the Group Agronomy Dept.
	7.7.4 (C) A documented water and ground cover management programme is in place.	YES	This is not applicable as there is no peat soil series in Kapis Estate. The fact was supported by the soil map prepared by the Group Agronomy Dept.
	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	YES	This is not applicable as there is no peat soil series in Kapis Estate. The fact was supported by the soil map prepared by the Group Agronomy Dept.

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Clause	Indicators	Comply Yes/No	Findings
	alternate methodologies to be considered by RSPO for recognition.		
	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	This is <i>not applicable</i> as there is no peat soil in the entire Jeroco 2 CU as supported by the soil maps of Kapis Estate.
	7.7.7 (C) All areas of unplanted and set-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.	YES	This is <i>not applicable</i> as there is no peat soil in the entire Jeroco 2 CU as supported by the soil maps of Kapis Estate.
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:	YES	<p>The water management plan is confined to only Jeroco Group of Estates engulfing the plans from nursery to fresh fruit processing. This report also includes the domestic water use with the after effect of water use to the surrounding environment. The plans cover the process of water abstraction, shortage, utilization in cultivation, chemical and natural treatments to utilize water at processing, domestic purposes and wastewater management. All of these aspects are included with monitoring, mitigation (if required), implementation and prevention or minimize pollution of these plan. Identified physical system in management of JGOE:</p> <ul style="list-style-type: none"> ▪ Treated water quality standard ▪ Baseline data for water quality and frequency quality standard ▪ Contingency plans during dry season ▪ Flow meter monitoring at J1POM and J2POM.

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Clause	Indicators	Comply Yes/No	Findings
			Based on the Environmental Compliance Report (ECR), 10 water sampling point were selected to ensure clean water sources. Based on the result, water quality monitoring is generally within Class IIB of NWQSM at all monitoring points.
	7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.	YES	Based on stakeholder consultation with local communities and field visit, there was evidence that the CU does not restrict access to clean water or contribute to pollution of water used by communities. In order to ensure supply of clean drinking water to workers treated water sampling was carried out by monthly basis. Drinking water quality has been monitored by Hap Seng Plantations Central Laboratory. Results from analysis were showed all the parameters within the limits.
	7.8.1b Workers have adequate access to clean water.	YES	As verified at Jeroco 2 CU facilities for workers and through interview with workers, all workers have obtained adequate access to treated clean water. Cleanliness of drinking water supplied to worker was ensured by carrying water analysis. Drinking water quality has been monitored by Hap Seng Plantations Central Laboratory by monthly basis. Based on the result, water quality monitoring is generally within Class IIB of NWQSM at all monitoring points.
	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	Riparian buffer zones areas were identified and marked. No activities in buffer zone area. Vetiver grass had been planted along the riverbanks and water catchments. During the field visit, there were evidence that these areas were free from chemical spraying and manuring application. The practices are guided by a SOP Riparian Zone.
	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	Effluent license renewal application for year 2022/2023 and letter from Department of Environmental. An Effluent Treatment Plant (ETP) is available at Jeroco 2 POM to treat the POME. Effluent treatment process flow sighted in the Lay Out Effluent Pond. Stated in the process flow is the maximum mill capacity per hour is 30mt ffb/hr. According to DOE's license, the disposal method of the final discharge is through land irrigation. Final discharge samples were taken on monthly basis and sent to an accredited laboratory for analysis. Among the parameters required by the DOE to be monitored are bio-oxygen demand (BOD), suspended solid (SS), oil and grease (O&G), ammoniacal nitrogen (AN) total nitrogen (TN), pH and temperature. The results of analysis were submitted to the DOE on quarterly basis. All parameters were within the regulatory limit such as BOD discharged to land irrigation was not more than 20 mg/l.
	7.8.4 Mill water use per tonne of FFB is monitored and recorded.	YES	Process water is obtained from water catchment near to the mill. The water usage per tonne of fresh fruit bunches (FFB) continued to be monitored on monthly basis.
7.9 Efficiency of fossil fuel use and the use of renewable energy is	7.9.1 A plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented.	YES	The plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented. Record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Among the plan for improving fossil fuel are regular servicing of the generator set for smooth running of engine and prevent excessive emission of

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optimised.			greenhouse gas, and estate/mill has set up a schedule the usage of fuels and monitor it at 3 times per week basis. Site visit to Jeroco 2 CU, showed evident that they are compiling the data by monthly basis and document it for further action to improve on their efficiency of using the renewable and non-renewable energy. Apart from use of grid electricity, palm fibre and shells were also used to generate electricity through biogas plant.																																															
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	<p>The CU had used RSPO Palm GHG version 4.0 Calculator as a tool to calculate the GHG emissions. Sighted report sends to RSPO on 14/07/2022. The input data was verified, and the following were determined:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>tCO₂e/tProduct</th> <th>Production</th> <th>t/yr</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>1.11</td> <td>FFB Processed</td> <td>44,395.65</td> </tr> <tr> <td>PK</td> <td>1.11</td> <td>CPO Processed</td> <td>8538.23</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Land Use</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>OP Planted Area</td> <td>7,640.30</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>105.04</td> </tr> </tbody> </table> <p>Milling extraction rate:</p> <table border="1"> <tbody> <tr> <td>OER</td> <td>19.23</td> </tr> <tr> <td>KER</td> <td>5.19</td> </tr> </tbody> </table> <p>Mill Emission</p> <table border="1"> <thead> <tr> <th colspan="3">Own Crop</th> </tr> <tr> <th>Emission source</th> <th>tCO₂e</th> <th>tCO₂e/tFFB</th> </tr> </thead> <tbody> <tr> <td>POME</td> <td>4887.89</td> <td>0.11</td> </tr> <tr> <td>Fuel consumption</td> <td>136.02</td> <td>0.00</td> </tr> <tr> <td>Grid electricity utilisation</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td colspan="3">Credits</td> </tr> <tr> <td>Export of excess electricity to housing & grid</td> <td>0.00</td> <td>0.00</td> </tr> </tbody> </table>	Description	tCO ₂ e/tProduct	Production	t/yr	CPO	1.11	FFB Processed	44,395.65	PK	1.11	CPO Processed	8538.23	Land Use	Ha	OP Planted Area	7,640.30	OP Planted on Peat	0.00	Conservation (forested)	0.00	Conservation (non-forested)	105.04	OER	19.23	KER	5.19	Own Crop			Emission source	tCO ₂ e	tCO ₂ e/tFFB	POME	4887.89	0.11	Fuel consumption	136.02	0.00	Grid electricity utilisation	0.00	0.00	Credits			Export of excess electricity to housing & grid	0.00	0.00
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	7.10.2 (C) Starting 2014, the carbon stock of the proposed development area and 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 Proc for New Dev).	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 during the audit, it is confirmed that there were no new planting or new development of areas at Jeroco 2 CU. Hence, RSPO GHG Assessment Procedure for New Development was not applicable.																																																																											

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	7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.	YES	The Environmental Impact Assessment and <i>Waste Management And Disposal Plan</i> was used to identify the GHG emissions. Some of the Greenhouse Gas emissions are through Land Conversation, Crop Sequestration, Fertiliser, N ₂ O from fertiliser, Fuel Consumption, Peat Oxidation. Plans to reduce or minimise them are in place. Jeroco 2 CU also plan to reduce GHG via Biogas plant at JPOM 1 to capture Methane gas generated from the Effluent Treatment Plant to generate biogas engine to produce electricity for mill and domestic use. Disposal of empty pesticide containers were carried out as per established procedures. Triple rinsing was continually implemented for empty pesticide containers. The rinsed containers were then pierced and stored prior disposal also to the same SW collector.
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	Jeroco 2 CU complied to the strict Zero Burning Policy in Sustainability Agricultural Policy under Environment & Biodiversity, signed by Mr. Au Yong Siew Fah, Chief Executive – Group Plantations. There was no evidence to show that fire had been used for preparing land for replanting in the 2017 replant visited in Kapis Estate during the audit. It was also observed that all palms were felled, shredded, windrowed, and left to decompose in the 2020 replants in the neighbouring HSPHB Estates.
	7.11.2 The unit of certification establishes fire prevention and control measures for the areas under its direct management.	YES	Jeroco 2 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 'Emergency Response' plan–updated Jan 2020 Kapis Estate and Jeroco 2 mill. The important telephone contact numbers were also provided therein. Procedures guidelines were issued by Agronomy Dept and amended to tailor to the situation differences in the estates and mills. In the mill, there were water hydrants and valid fire extinguishers at the various operating stations. Kapis Estate had valid fire extinguishers at the office, worker's quarters, chemical & fertiliser stores, diesel skid tank, etc.
	7.11.3 The unit of certification engages with adjacent stakeholders on fire prevention and control measures.	YES	During external stakeholder meeting dated 27/04/2021 and 30/6/2022 that was carried out at Jeroco 2 CU, all stakeholders including neighbour was briefed on fire prevention and control measures.
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	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 LUCA is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.	YES	No new land clearing since Nov 2015 evidenced at Jeroco 2 CU, thus this Indicator was not Applicable.
	7.12.2 (C) HCVs, HCS forests	YES	Report on "High Conservation Value Area and Biodiversity Assessment Report" for Kapis Estate and

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forests in the managed area are identified and protected or enhanced.	and other conservation areas are identified as follows:		<p>Jeroco Palm Oil Mill 2 (JGOE 2) was available, updated as of June 2022. The report of "Potential High Conservation Value Area Assessment Report of Kapis Estate and Jeroco POM 2" was also made available to the auditor. It was noted that the report was prepared by the Sustainable Unit of Hap Seng, and last updated in July 2020.</p> <p>Based on the assessment, there was no identified RTE at Kapis estate. Kapis Estate had identified a significant HVC4 which the estate has controlled and maintained the river buffer zone for Sg. Kretam Besar (Sg Simpang Kanan). The total HCV area is 29.20 ha.</p>
	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	
	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	YES	

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	stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).		
	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 Jeroco 2 CU. 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 capture, harm, collect, trade, possess or kill these species.	YES	Jeroco 2 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 Sg. Kretam Besar (Sg Simpang Kanan). 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.
	7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems,	YES	Jeroco 2 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 Sg. Kretam Besar (Sg Simpang Kanan). It was noted that CCTV was

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	peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.		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 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 Jeroco 2 CU since Nov 2005. Remediation and Compensation Procedure (RaCP) did not apply.

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<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)	As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.	YES	HSP was committed towards getting the 100% RSPO certification. The target year for certification was revised to 2022 (as in ACOP 2020). 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 updated Concept Note and documents on 01/03/2021. 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 and latest replied on 18/04/2021.
	(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 eq.);	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 noncompliance shall be raised. Where there is evidence of fundamental failure to proceed	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

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		with implementation of the plan, a major non-compliance shall be raised.		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 7.3. Any new plantings since 1 st January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	YES	Assessment of compliance to RSPO Partial Certification Requirements was conducted in Northbank and Tabin Estate on 08-09/03/2021 and for Pelipikan Estate on 07-08/10/2020. From the assessment, the status of the uncertified management unit was summarized as follows: <u>Northbank and Tabin Estate</u> a) HCV Assessment at Northbank and Tabin Estate has been conducted in year 2013 and completed the report on 20 November 2013. 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. <u>Pelipikan Estate</u> 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. Received the reviewer's comment on the LUCA assessment and latest replied on 18/04/2021.
	(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	The latest internal assessment has been made to Northbank and Tabin Estate on 08-09/03/2021 and for Pelipikan Estate on 07-08/10/2020: <u>Northbank and Tabin Estate</u> Land conflict are still under court case. Please refer Hap Seng Plantations 2018 Annual Report – refer page 115 (b) <u>Pelipikan Estate</u> Land conflict was resolved with the affected and relevant parties. Please refer Hap Seng Plantations 2018 Annual Report – refer page 269 (c)
	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2;	YES	The latest internal assessment has been made to Northbank and Tabin Estate on 08-09/03/2021 and for Pelipikan Estate on 07-08/10/2020: <u>Northbank and Tabin Estate</u> JCC meeting with stakeholder which include local communities was conducted on 29/06/2020. The result of the meeting had no significant negative impact by the local community. <u>Pelipikan Estate</u> There was no labour dispute reported during JCC with stakeholder meeting conducted on 13/03/2020. Overall, no negative impacts.
	(d)	Legal non-compliance, if any, is being addressed through measures consistent with	YES	The latest internal assessment has been made to Northbank and Tabin Estate on 08-09/03/2021 and for Pelipikan Estate on 07-08/10/2020, there was no

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		the requirements of RSPO P&C criterion 2.1;		issue on legal non-compliance for all uncertified unit.
	(e)	The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 5.5.3 (a) – (d) above by the audit team based on self-declarations only by the company,	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 29/06/2020 (Northbank and Tabin Estate) and 13/03/2020 (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_ACOP2020.pdf</p> <p>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_ACOP2020.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.</p>
		with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:		
		<ul style="list-style-type: none"> A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement; 	YES	
		<ul style="list-style-type: none"> Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team. 	YES	
		<ul style="list-style-type: none"> Desktop study e.g. web check on relevant complaints 	YES	
		<ul style="list-style-type: none"> If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements. 	YES	
	(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 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.	YES	
	(g)	Failure to address any outstanding non-compliances within uncertified unit(s) as	YES	

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	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.		
<p>5.6.6</p> <p>The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.</p> <p>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.</p> <p>The CB shall keep track which party that has been interviewed in the previous audits to ensure proper coverage of the parties throughout the certification cycle.</p>	No additional indicators	YES	<p>Evidence of legal ownership of the land including history of land tenure was verified during this audit. For Kapis Estate the land was previous owned by Sabah Land Development and Jeroco Plantations Sdn Bhd has buy and develop the land in 01/01/1980.</p> <p>As reported in 4.4.1 of this checklist, it has been verified that the land is now The audit team has also interviewed relevant stakeholder such as the IOI Plantation, Harus Abadi Sdn Bhd, First Raintree Sdn Bhd, Bukit Kretam Sdn Bhd, Casem Sdn Bhd, Sangi Enterprise Sdn Bhd, LKM Trading, Lebijaya Sdn Bhd. From the interviews, it can be concluded that there was no evidence of any land dispute at Jeroco 2 CU</p>

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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
3.3.1 MRS 01 2022	Major	<p>Requirement: 3.3.1 (C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>Finding: Standard Operating Procedures (SOP) for the unit of certification was not in line with current RSPO P&C MYNI e.g.:</p> <ul style="list-style-type: none"> - SOP Employment for recruiting foreign workers via walk in process was not documented and available. - SOP Employment for recruiting foreign workers via agent/quota basis was not clear to ensure zero recruitment fees. <p>Objective evidence: Review of documents found there are migrant workers from Indonesia and Philippines that apply for work at the CU i.e. individual with passport and individual without passport. However, the recruitment procedures for these migrant workers titled 'Recruitment, Selection, Hiring, Termination, Retirement and Promotion of Workers (local & Foreign) dated 31/05/2020 did not clearly describe the recruiting procedure for foreign workers via "walk in process" or/and via "agent/quota basis". The procedure also did not clearly outline the mechanism to ensure 'recruitment fees' are not forced on migrant workers employed by the CU.</p>	<p>The root cause: The Certification Unit misunderstand on the definition of New RSPO P&C MYNI 2019 (3.3.1) that just required the SOP to be in place viz. only update for major process of Recruitment, Termination, Retirement and Promotion of Workers (for any revision be made). Hence no latest updates to the Standard Operating Procedures (SOP) that involving sub-process of recruitment in term of "walk-in" and "against/quota basis".</p> <p>Correction: The Certification Unit has immediately requested Personnel & Administration Department (P&AD) to revise the Standard Operating Procedure (SOP) Recruitment, Termination, Retirement and Promotion of Workers to further describe the recruiting procedure for foreign workers via "walk in process" or/and via "agent/quota basis". (Attachment 1)</p> <p>Corrective action: The Sustainability Team will cross-check the updating status of Standard Operating Procedure for recruitment, selection, hiring, promotion, retirement and termination (local & foreign workers) at yearly basis.</p>	<p>Auditor has verified the evidence that management has revised their SOP namely STANDARD OPERATING PROCEDURE (SOP) – RECRUITMENT, SELECTION, HIRING, TERMINATION, RETIREMENT AND PROMOTION OF WORKERS (LOCAL & FOREIGN) date of Revision 16th August 2022. And found the revised SOP already include the Walk-in Process recruitment. Therefore, evidence is acceptable to close the NC.</p> <p>Status: Closed</p>
6.1.5 MRS 02 2022	Major	<p>Requirement: 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.</p> <p>Finding: Opportunities and improvements for women were not addressed during Gender Committee meeting.</p>	<p>The root cause: The Certification Unit misunderstand that the current gender committee meeting agenda has covered concern of raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p>	<p>Auditor has verified the evidence that management has conduct the gender meeting on 25/7/2022 (JPOM2), 9/8/2022 (Kapis) and verify the minutes meeting the management of Jeroco CU already discuss and includes the agenda of opportunities and improvements for women to</p>

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		<p>Objective evidence: There was no discussion or plan during Gender Committee meeting for year 2022 at Jeroco POM 2 and Kapis Estate which highlighted on the opportunities and improvements for women to enhance their knowledge and economy as verified in the minutes of meeting dated 17/06/2022 at Kapis Estate and 21/03/2022 at Jeroco 2 POM. Only cooking activity and volleyball events were conducted to improve relationship among colleagues were mentioned in the minutes.</p>	<p>Correction: Estate/Mill management has immediately conducted the Gender Committee Meeting to discuss on opportunities and improvements by conducting any relevant program for women to enhance their knowledge and economy. (Attachment 2a and 2b)</p> <p>Corrective action: The Sustainability Team will cross-check the implementation of Gender Committee Meeting agenda at yearly basis to ensure it has included concern of raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p>	<p>enhance their knowledge and economy in the minutes meeting. Therefore, evidence is acceptable to close the NC.</p> <p>Status: Closed</p>
3.7.2 AB 01 2022	Minor	<p>Requirement 3.7.2 Records of training are maintained, where appropriate on an individual basis.</p> <p>Finding : The understanding/awareness of the tools keeping of high safety risk at the housing area is not being effectively briefed to the employees.</p> <p>Objective Evidence. Kapis Estate 15/07/2022 - Site visit to the workers housing area has observed that 2 harvesting pole/knife being kept leaning to a tree within vicinity of the housing compound Block C. The tools are being used for tree compound maintenance. Workers were unaware on the procedure/guideline in relation to such practices.</p>	<p>The root cause: The Certification Unit misunderstand the provided awareness training shall be only related to the tools of estate/mill operation and missed-out the training regarding the non-oil palm plantation tools (i.e., fruit tree harvesting/maintenance sickle) to the workers.</p> <p>Correction: Estate/Mill management has immediately provided the training on safe storage of non-oil palm plantation tools (i.e., fruit tree harvesting/maintenance sickle) to estate/mill workers. (Attachment 3)</p> <p>Corrective action: Estate/Mill management will conduct inspection on monthly basis within vicinity of worker housing compound on safe storage of non-oil palm plantation tools (i.e., fruit tree harvesting/maintenance sickle) to ensure these dangerous tools that can cause fatal/injuries be kept in safety manner.</p>	<p>Corrective action plan accepted.</p> <p>Status: Open The effectiveness of the corrective action plan will be verified during next audit</p>

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ATTACHMENT 5

STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Verification by Assessor
2.1.1	Major	<p>Finding: The unit of certification did not comply with applicable legal requirements under Occupational Safety and Health (Noise Exposure) Regulations 2019 Section 4. This regulation gazette on 01/03/2019 and come into operation on 01/06/2019.</p> <p>Objective evidence: Jeroco 2 CU has yet to conduct the Noise Risk Assessment (NRA) during the audit process. The CU only managed awarded the contract to Chemsain Konsultant Sdn. Bhd. to conduct the NRA. The contract details: Kapis Estate: Dated 11/01/2021, ref. no #A-14/8 (009/2021). JPOM 2: Dated 01/08/2020, contract no. JP0176.</p>	<p>Occupational Safety and Health (Noise Exposure) Regulations 2019 <i>The unit of certification did not comply with applicable legal requirements under Occupational Safety and Health (Noise Exposure) Regulations 2019 Section 4. This regulation gazette on 01/03/2019 and come into operation on 01/06/2019. Jeroco 2 CU yet to be carried out the Noise Risk Assessment (NRA) during the audit process. The CU only managed awarded to Chemsain Konsultant Sdn. Bhd. to conduct the NRA.</i> Kapis Estate: Dated 11/01/2021, ref. no A-14/8 (009/2021) JPOM 2: 01/08/2020, contract no. JP0176</p> <p>Observation and auditing made on 13/6-14/6/2022 recorded the following; The CU has made assessment on the noise risk by a certified assessor CHEMSAIN KONSULTANT Sdn Bhd registration no HQ/21/PEB/00/0043. The following reports were produced with recommendations made therein. Recommendation for the basic and instant work has been attended by the mill. Proposal made for the engine room requires a CAPEX forthcoming year. The reports for the assessment on 15/03/22 were submitted to J2POM and Kapis Estate on 08/06/22 and 15/04/22 respectively.</p> <p>a) Jeroco 2 POM - 15/03/2022 - HQ/21/PEB/00/0043 - 2022/023</p> <ul style="list-style-type: none"> i. To Regular maintenance of engineering control ii. To relocate air compressor at distance min 6 m from the sterilizer operator iii. To built an enclosed room with sound acoustic wall for the engine iv. To operate welding activity away from the wall v. To install signage with words 'Hearing Protection Zone at boiler house/kernel plant/sterilizer station/engine room <p>b) Kapis Estate - 15/03/2022 - report no HQ/21/PEB/00/0043 - 2022/022</p> <ul style="list-style-type: none"> i. To regular maintenance of current PHP / engineering control ii. To distancing grass cutter from other employee during operation iii. To built an enclosed acoustical foam /padding under tractor bonnet iv. To install warning signage for all grass cutting machine and tractors within workplace area. <p>Status: Closed</p>
7.8.2	Major	<p>Finding: Water courses and wetlands was not protected, including maintaining and restoring appropriate riparian and other buffer zones was not in line with 'RSPO Manual on</p>	<p>During site inspections at Kapis Estate (Field Block 1760 and Block 1652), sighted there is no chemical spraying activities at the water edge at the artificial drainage and waterways that directly channel to Sg. Simpang</p>

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		<p>BMPs for the management and rehabilitation of riparian reserves' (April 2017). Objective evidence: During site inspections at Kapis Estate (Field Block 1760 and Block 1652), sighted chemical spraying activities was carried out close to the water edge at the artificial drainage and waterways that directly channel to Sg. Simpang Kanan. Based on circle & strip spraying programme 2021, last chemical spraying activities was carried out in December 2021 and January 2022.</p>	<p>Kanan. There is also training on "Latihan Penyemburan Racun di Kawasan Berdekatan Aliran Air" was conducted on 29/01/2022 and trained by estate manager. Interview also with Spraying gang, they understand the BMP rules. Status: Closed</p>
7.10.3	Major	<p>Finding: Significant pollutants of chemical spillage i.e. Calcium Carbonate 9002 used for Kernel Plant Station was not identified and plans to reduce or minimise them Objective evidence: During site inspection at Kernel Plant Station, (Claybath Separator Operation), sighted chemical spillage (Calcium Carbonate) on the ground was wash out or clean by water and leaching to monsoon drain (to oil trap then to waterways). Besides that, spill kit was not presented/available during the audit process at the area.</p>	<p>During the site visit on 13/07/2022 it was observed that the management had constructed bund to contain any spillage if any of the calcium carbonate used for the kernel / shell separation. There was no operation at time of visit however observation shows that the system has functioned satisfactorily noting no traces of spillage at surrounding the station particularly the white powder traces on the floor. Interview with the Mill management confirmed the functional of the system. In the documents the activity "Washing Pollutants of Chemical Spillage" has been identified in the Environmental Impact Assessment Management Action Plans and Continuous Improvement Plans dated 14/03/2022. Training record "Penerangan Tentang Tumpahan Kalsium Karbonat" dated 26/01/2022 has been recorded and verified. Status: Closed</p>
7.3.2	Minor	<p>Finding: Proper disposal of waste material was not practiced according to procedures/plans and not fully understood by workers. Objective evidence: During site inspections at JPOM 2 Housing Area Block D, sighted domestic waste (aerosol spray, plastic bag), digestive wastes (baby/kid pampers), and 2T Lubricant empty container was dumped without segregation at the back of housing compound area. Even though dustbin have been provided.</p>	<p>During site inspections at JPOM 2 Housing Area Block D and E, Auditor has verify the Past NCR and found that all Waste has been disposed centrally and segregated Status: 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	2.1.1	Kota Marudu	2022 (as per ACOP 2020)	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 2020)	Not Applicable	Not Applicable

Note:

1. It has been confirmed during the audit that Shalimar Estate and Batang Berjantai, 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.)
2. As of now, neither Hap Seng Consolidated nor HS Properties are registered as RSPO member.
3. 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.
4. In terms of RSPO certification process, HS Plantations is registered as RSPO member. The above TBP is parked under HS Plantations.
5. 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.