	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 : 29 July 2024 – 1 August 2024 **DURATION : 11 auditor days**

TYPE OF AUDIT : ■ **Annual Surveillance Audit No. 01** ☐ **Recertification Audit**

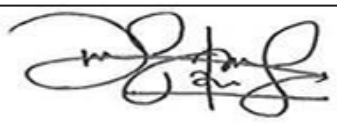
STANDARD : MYNI 2019 FOR RSPO PRINCIPLE & CRITERIA 2018

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

VALIDITY OF RSPO CERTIFICATE : 27/09/2023 to 26/09/2028

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 KEOW CHONG
Signature :		Signature :	
Date :	30/10/2024	Date :	13/11/2024

SUMMARY OF AUDITS

Recertification audit					
On-site audit date	:	12 – 14 JULY 2023		No. of auditor days :	11 days
Audit team	:	Rozaimee Ab Rahman, Mohd Zulfakar Kamaruzaman, Rahayu Zulkifli, Selvasingam T.Kandiah			
No. of major NCR	:	2	Indicator : 6.2.3, 3.8.11		Closing date : 13/10/2023
No. of minor NCR	:	1	Indicator : 3.4.2		
Indicate the stakeholders interviewed during the on-site audit	:	Employees / Workers organizations	Settlers	Villagers / Local communities	Suppliers
		/	NA	/	/
		Contract workers	Local & National NGOs	Govt. agency / Statutory bodies	Independent growers / Smallholders
		NA		/	/
		Indigenous people	Contractor	Others (Please specify)	
		NA	/		
Supply base sampled	:	Kapis Estate			
Justification of audit planning	:	Total allocation of auditor days for Jeroco 2 CU were: • 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 for verification of safety and health, environment, good agriculture best practices, GHG verification, TBP.			
Name of peer reviewer	:	Harso Yuli Antena			
Report approved by	:	Kamini Sooriamoorthy		Approval date : 11/11/23	

Annual Surveillance Audit 1					
On-site audit date	:	29 July 2024 – 1 August 2024		No. of auditor days :	11 days
Audit team	:	Mohd Zulfakar Kamaruzaman, Rozaimee Ab Rahman, Dzulfiqar Azmi			
No. of major NCR	:	1	Indicator: 6.1.5		Closing date: 29 October 2024
No. of minor NCR	:	-	Indicator: -		
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees / Workers organizations	Settlers	Villagers / Local communities	Suppliers
		/	NA	/	/
		Contract workers	Local & National NGOs	Govt. agency / Statutory bodies	Independent growers / Smallholders
		NA			/
		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 (5 days for safety and health, environment, mill best practices, GHG verification and for supply chain certification systems, TBP) • All estate = 6 days for verification of safety and health, environment, good agriculture best practices, GHG verification, TBP.			
Name of peer reviewer	:	NA			
Report approved by	:	Kamini Sooriamoorthy		Approval date : 14/11/2024	

SUMMARY OF INFORMATION

TABLE 1

	~~STAGE 2~~ / RA	ASA 1	ASA 2	ASA 3	ASA 4
***Projection Period / Reporting Period**	July 2023 – June 2024	July 2024 – June 2025			
Certified FFB Processed (MT) (IP)	34,373.00	23,346.00			
Certified FFB Processed (MT) (MB)	17,655.56	0			
Production of Certified CPO (MT) (IP)	6,804.00	4,556.00			
Production of Certified CPO (MT) (MB)	3,376.83	0			
Production of Certified PK (MT) (IP)	1,648.00	1,122.00			
Production of Certified PK (MT) (MB)	991.68	0			
Certified Areas (Ha)	2,681.00	2,681.00			
Planted Areas (Ha)	2,342.00	2,342.00			
Production Areas (Ha)	2,342.00	2,342.00			
HCV Areas / Conservation Areas (Ha)	29.20	29.20			
REMARKS					

TABLE 2

	PO	PK
Last years certified volume (MT) [IP + MB]	10,180.83	2,639.68
Last years actual certified sold (MT) [IP + MB]	-	1,714.80
Last years actual sold under other schemes (MT)	-	-
Last years sold conventional (MT)	6,065.94	174.29
Last year actual sold CSPO credits (where applicable)	-	-
New year certified volume (MT)	4,556.00	1,122.00

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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	Lead Auditor / Supply Chain, HCV, Social External, TBP	Holds a B.Sc. Forestry. He had several years of working experience in oil palm operation. He is a qualified RSPO P&C and RSPO Supply Chain Lead Auditor.
Rozaimee Ab Rahman	Lead Auditor / Metrics Template, OSH, Environment, GHG	Holds a B. Sc. of Agriculture from UPM. He had 7 years of working experience in the oil palm operation. He is a qualified Lead Auditor for RSPO P&C and SC and MSPO.
Dzulfiqar Azmi	Auditor / Social External, GAP	Holds a B. Sc. in Agriculture from University Teknologi Malaysia (UiTM). He had more than 5 years of working experience in the oil palm operation. He has experience in auditing since 2018. He is RSPO Lead Auditor since Oct. 2020.

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

During this ASA1, 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)	Workers from Jeroco Palm Oil 2 and Kapis Estate confirmed the following: a) There is no gender racial or other forms of discrimination; b) Everyone is treated equally and receive the same amount of pay for the same type of work. c) They have their own worker representatives whom they have nominated and elected during muster. d) They are aware of what constitutes sexual harassment and there has been no incidence of sexual harassment. e) Wages are paid by cheque no later than 7th of the following month, and they cash it at the nearby grocery shops. f) They purchase daily necessities from the nearby grocery stores within Kapis Estate and other estates within the Hap Seng Group; g) Comfortable housing is provided rent free and they only pay for electricity; h) Drinking water and electricity is available 24 hours per day. i) They are aware of complaints procedure, company policies of child labour; for the Indonesian workers, their children attend HUMANA or CLC schools.
2) Settlers	Not available
3) Villagers / Local communities (including women representatives, displaced communities)	There were no issues regarding land with villagers, local community and neighboring estate. The audit team had also confirmed this through interviewing 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 were also no local communities living in or neighboring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities and FPIC
4) Suppliers	Harus Abadi, Spark Glory, Lim Engit Fun, LKM Trading, Lebijaya, Bukit Kretam – found they were satisfied due to current price at JPOM 2 was fair compared to outsider Mill
5) Contract workers (local / foreign / Orang Asli workers / male & female)	Not Available
6) Local & national NGOs	Humana- during interview with teachers of Humana was confirmed Hap Seng was given a good corporation and full support for children education.
7) Government agencies / Statutory bodies	Not available
8) Independent growers / Smallholders	Hap Seng gave 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 smallholders who are RSPO certified are Spark Glory,

	Harus Abadi, and LKM Trading. Currently in progress for RSPO and MSPO certification is Lebijaya, Khoo Chin Hung, Bukit Kretam and LPC plantation.
9) Indigenous people	Not available
10) Contractor	For CPO sea transportation- no issues related to the payment.
11) Previous land owner (if any)	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.
12) Others (please specify)	-

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 units 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 also receives and processes crops from smallholders and villagers near the estate. In February 2024, the CU initiated a request for them to implement dual supply chain models, both IP together with the existing MB and upon verification and submission to the RSPO Board, it has been approved for them in April 2024. In this reporting period, the CU received and produced IP-certified and MB-certified products.

JPOM 2 have ISCC/MeSTI/Halal/HACCP/MSPO certification beside 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 last reporting period (July 2023 to June 2024))

Estates	FFB Production	
	Tonnes	**Percentage (%)**
Kapis Estate	7,928.58	16.02
Lokan Estate	1,720.50	3.48
Lutong Estate	105.08	0.21
Lungmanis Estate	818.66	1.65
Batangan Estate	19.92	0.04
Total	**10,592.74**	
Third parties certified		
Bukit Kretam S/B	18,107.61	36.58
First Raintree S/B	2,241.41	4.53
Harus Abadi S/B	4,616.65	9.33
Lebijaya S/B	1,732.13	3.50
Chua Soon Lee S/B	24.85	0.05
Spark Glory S/B	36.11	0.07
Total	**26,758.76**	
Grand total (certified)	**37,351.50**	

Third parties-noncertified		
Tabin Estate	2,293.33	4.63
Northbank Estate	1,650.48	3.33
Bukit Kretam S/B	5,127.94	10.36
Casem S/B	770.09	1.56
Sangi Enterprise S/B	1,654.02	3.34
LPC Plantations S/B	566.68	1.14
Lim Engit Fun	8.74	0.02
Khoo Chin Hung	75.40	0.15
Total	**12,146.68**	

Table 2: Projected FFB production by supply base for the next reporting period (July 2024 to June 2025)

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Kapis Estate	23,346	100
Total	**23,346**	**100**

Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period (July 2023 to June 2024)

	Mass Balance	Identity Preserved
FFB Processed: Certified	24,484.99	12,866.51
FFB Processed: Non-Certified	12,146.68	-
Total CSPO produced: Certified	4,808.88	1,257.06
Total CSPO produced: Non-Certified	2,385.62	-
CPO sold under other schemes	0.00	0.00
CPO delivered as IP	-	0.00
CPO delivered as MB	0.00	0.00
CPO delivered as non-RSPO certified	4,808.88	1,257.06
Total CSPK Produced	1,327.47	561.62
Total CSPK produced: Non-Certified	658.54	-
PK delivered as IP	-	387.33
PK delivered as MB	1,327.47	0.00
PK delivered as non-RSPO certified	0.00	174.29
Credit traded under Book & Claim	0.00	0.00

Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period (July 2024 to June 2025)

	Total (MT)
FFB Received	23,436
FFB Processed	23,436
Total CPO Produced	4,556
Total PK Produced	1,122

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 for Jeroco 2 CU

Estate	Year of planting	Planting Cycle	Mature >3years (Ha)	Immature < 3 years (Ha)	Planted area	% of planted area mature	% of planted area Immaturee
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
Fax no.	:	+6089 278168/186
Email	:	keekc@hapseng.com

3.0 AUDIT FINDINGS

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

The CU now is implementing IP and MB supply chain models. Previously (until March 2024), they are MB-certified only.

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 ☐ Yes ■ No

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

If no, please state reasons

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

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

No other changes so far.

3.4	Status of previous non-conformities * * If not closed, minor non conformity will be upgraded to major non conformity	■ Closed ☐ Not closed*
3.5.	Complaint received from stakeholder (if any) No complaint received	
4.0	**DETAILS OF NON-CONFORMITY REPORT**	
4.1	For P&C (Details checklist refer to Attachment 3) :	
	Total no. of minor NCR(s)	List : NA -
	Total no. of major NCR(s)	List : 1 DA 01 2024 (6.1.5)
4.2	For SC (Details checklist refer to Attachment 3) :	
	Total no. of minor NCR(s)	List : NA
	Total no. of major NCR(s)	List : NA
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.

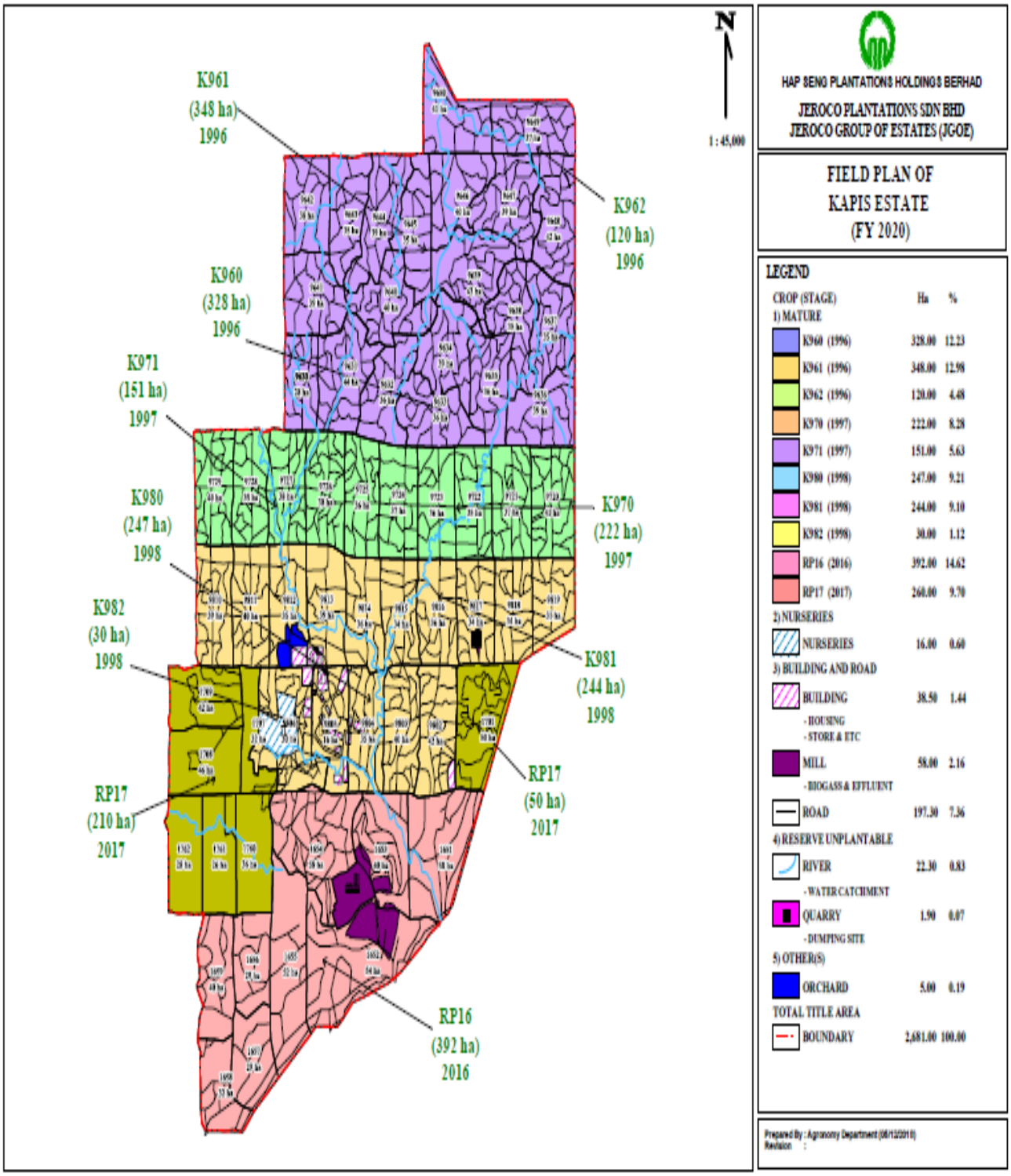
☐ Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)…… have not been satisfactorily closed out within 90 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 90 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		29/10/2024
	(Name)	(Signature)	(Date)

Map of Kapis Estate within JPOM 2



Attachment 2 – Audit Plan

RSPO SURVEILLANCE 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 : 29 JULY 2024 – 1 AUGUST 2024

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
b. RSPO Certification System Documents
c. Company's audit criteria including Company's Manual/Procedures

5. Assessment Team

Lead Auditor : Mohd Zulfakar Kamaruzaman (SCCS, Social – External, HCV, GAP)
Auditor :

1) Rozaimee Ab Rahman (Safety, Environment, GHG)
2) Dzulfiqar Azmi (Social – Internal, Metrics Template, TBP)

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 non conformities shall be addressed within 90 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 90 days, the certificate shall be terminated.

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

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

9. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all mattersarising or coming to its attention with the conduct of the programme, which is of confidential in nature otherthan 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 thisaudit.

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 2023 to December 2023, and
   ii. 12-month period counting up to two months before audit month: **Apr 2023 to May 2024**

b) Reporting time frames for demographic data:
   i. For mill and estate workers: as of 31 December 2023
   ii. For smallholders and outgrowers: January 2023 to December 2023

c) Reporting time frame for all other social and environmental data:
   i. January 2023 to December 2023

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).

14. Assessment Programme Details : As below

Day 1: 29/07/2024 (Monday)

<table>
<tr><th>Time</th><th colspan="3">Activities / areas to be visited</th><th>Auditee</th></tr>
<tr><td>8.00 am</td><td colspan="3">Opening Meeting for Jeroco 2 CU. Audit team introduction and briefing on assessment objectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader.</td><td>All CU</td></tr>
<tr><td>8.20 am</td><td colspan="3">Briefing on the organization background and implementation of RSPO and MSPO at CU (including actions taken to address previous audit findings) by company Management Representative.</td><td>Management Representative</td></tr>
<tr><td>8.30 am</td><td colspan="3">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Jeroco 2 POM</td><td>Management Representative</td></tr>
<tr><td rowspan="3">8.35 am</td><td colspan="4">To assign each audit team members – site and the P&C requirements</td></tr>
<tr><td>MZK</td><td>DA</td><td colspan="2">RAR</td></tr>
<tr><td>Coverage of assessment: (SCCS)

Site visit and assessment on RSPO Supply Chain Implementation including the:
▪ Model used
▪ General Chain of Custody
▪ System Requirements
▪ for the supply chain
▪ Documented procedures
▪ Purchasing and goods in
▪ Outsourcing activity
▪ Sales and goods out
▪ Processing
▪ Records keeping
▪ Registration</td><td>Coverage of assessment: (Social – Internal)
▪ Facilities provided at line site inspection (i.e. worker quarters, mosque, surau, community center, School/CLC, Humana/Crèche, provision shop & etc.
▪ Interview with mill workers – female, male, various nationality, various job scope, contractor workers, check roll workers
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Discussion with relevant management (CSR, community affairs) , Decent Living Wage, and view documentation such as SIA, assessment and management plans.
▪ Interview with Union/workers representatives
▪ Interview with gender committee, worker representative,
▪ Workers Issues & welfare
▪ Training and skill development programs
▪ Continuous improvement
Other area identified during the assessment.</td><td colspan="2">Coverage of assessment: (Safety and Environment and GMP)
▪ Facilities at workplace inspection (worker quarters, water treatment plant, clinic, stores, workshop, landfill area & etc.
▪ Site inspection/interview at production area () – harvesting, spraying, manuring, OP nursery, replanting area, peat area & etc.
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Safety & Health practice – witness activities at site
▪ Hazard identification and Risk Management
▪ Chemical management and PPE
▪ Mill/Estate Boundary, adjacent and neighbouring land use
▪ Waste management including disposal site, GHG calculation,
▪ Aspects/impacts of estate management
▪ Pollution mitigating plans
▪ Management and disposal of waste including pesticides containers
▪ River system and Effluent Treatment/Discharge
▪ Buffer/Riparian Zones
▪ Controlled/open burning
▪ Landfill Verification.
▪ Chemical management
▪ Training and skill development programs
▪ Continuous improvement
Other area identified during the assessment.</td></tr>
<tr><td>12.30 pm</td><td colspan="4">LUNCH BREAK & ZUHUR PRAYER</td></tr>
<tr><td>1.30 pm</td><td colspan="4">Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records</td></tr>
<tr><td>5.00 pm</td><td colspan="4">Audit team discussion / Interim closing / End of Day 1 audit</td></tr>
<tr><td>9.00pm</td><td colspan="4">Discussion LA and teams on potential NCRs</td></tr>
</table>

Day 2: 30/07/2024 (Tuesday)

<table>
<tr><th>Time</th><th colspan="3">Activities / areas to be visited</th><th>Auditee</th></tr>
<tr><td>8.00 am</td><td colspan="3">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Jeroco 2 POM</td><td>Management Rep.</td></tr>
<tr><td rowspan="3">8.35 am</td><td colspan="3">To assign each audit team members – site and the P&C requirements</td><td></td></tr>
<tr><td>MZK</td><td>DA</td><td>RAR</td><td></td></tr>
<tr><td>Coverage of assessment: (Social – External TBP, Metrics template)
▪ Site inspection/interview at production area
▪ Interview with external stakeholders i.e. local communities, government agencies, etc.
▪ Site visit at HCV area
▪ HCV/RTE and action plan.
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment and management plans.
▪ Local sustainable development
▪ Support smallholder inclusion
▪ Complaints and grievances
▪ External stakeholders issues & welfare
▪ Training and skill development programs
▪ Continuous improvement

Other areas identified during the assessment.</td><td>Coverage of assessment: (Social – Internal)
▪ Facilities provided at line site inspection (i.e. worker quarters, mosque, surau, community center, School/CLC, Humana/Crèche, provision shop & etc.
▪ Interview with mill workers – female, male, various nationality, various job scope, contractor workers, check roll workers
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Discussion with relevant management (CSR, community affairs) , Decent Living Wage, and view documentation such as SIA, assessment and management plans.
▪ Interview with Union/workers representatives
▪ Interview with gender committee, worker representative,
▪ Workers Issues & welfare
▪ Training and skill development programs
▪ Continuous improvement
Other area identified during the assessment.</td><td>Coverage of assessment: (Safety and Environment and GMP)
▪ Facilities at workplace inspection (worker quarters, water treatment plant, clinic, stores, workshop, landfill area & etc.
▪ Site inspection/interview at production area () – harvesting, spraying, manuring, OP nursery, replanting area, peat area & etc.
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Safety & Health practice – witness activities at site
▪ Hazard identification and Risk Management
▪ Chemical management and PPE
▪ Mill/Estate Boundary, adjacent and neighbouring land use
▪ Waste management including disposal site, GHG calculation,
▪ Aspects/impacts of estate management
▪ Pollution mitigating plans
▪ Management and disposal of waste including pesticides containers
▪ River system and Effluent Treatment/Discharge
▪ Buffer/Riparian Zones
▪ Controlled/open burning
▪ Landfill Verification.
▪ Chemical management
▪ Training and skill development programs
▪ Continuous improvement
Other area identified during the assessment.</td><td></td></tr>
<tr><td>12.30 pm</td><td colspan="3">LUNCH BREAK & ZUHUR PRAYER</td><td></td></tr>
<tr><td>1.30 pm</td><td colspan="3">Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records</td><td></td></tr>
<tr><td>5.00 pm</td><td colspan="3">Audit team discussion / Interim closing / End of Day 2 audit</td><td></td></tr>
<tr><td>9.00pm</td><td colspan="3">Discussion LA and teams on potential NCRs</td><td></td></tr>
</table>

Day 3: 31/07/2024 (Wednesday)

<table>
<tr><th>Time</th><th colspan="3">Activities / areas to be visited</th><th>Auditee</th></tr>
<tr><td>8.00 am</td><td colspan="3">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Kapis Estate .</td><td>Management Representative</td></tr>
<tr><td rowspan="3">8.35 am</td><td colspan="3">To assign each audit team members – site and the P&C requirements</td><td></td></tr>
<tr><td>MZK</td><td>DA</td><td>RAR</td><td></td></tr>
<tr><td>Coverage of assessment: (Social – External & HCV, TBP, Metrics Template, GAP)
▪ Site inspection/interview at production area
▪ Interview with external stakeholders i.e. local communities, government agencies, etc.
▪ Site visit at HCV area
▪ HCV/RTE and action plan.
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment and management plans.
▪ Local sustainable development
▪ Support smallholder inclusion
▪ Complaints and grievances
▪ External stakeholders issues & welfare
▪ Training and skill development programs
▪ Continuous improvement

Other areas identified during the assessment...</td><td>Coverage of assessment: (Social – Internal)
▪ Facilities provided at line site inspection (i.e. worker quarters, mosque, surau, community center, School/CLC, Humana/Crèche, provision shop & etc.
▪ Interview with mill workers – female, male, various nationality, various job scope, contractor workers, check roll workers
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Discussion with relevant management (CSR, community affairs) , Decent Living Wage, and view documentation such as SIA, assessment and management plans.
▪ Interview with Union/workers representatives
▪ Interview with gender committee, worker representative,
▪ Workers Issues & welfare
▪ Training and skill development programs
▪ Continuous improvement
Other area identified during the assessment.</td><td>Coverage of assessment: (Safety and Environment)
▪ Facilities at workplace inspection (worker quarters, water treatment plant, clinic, stores, workshop, landfill area & etc.
▪ Site inspection/interview at production area () – harvesting, spraying, manuring, OP nursery, replanting area, peat area & etc.
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Safety & Health practice – witness activities at site
▪ Hazard identification and Risk Management
▪ Chemical management and PPE
▪ Mill/Estate Boundary, adjacent and neighbouring land use
▪ Waste management including disposal site, GHG calculation,
▪ Aspects/impacts of estate management
▪ Pollution mitigating plans
▪ Management and disposal of waste including pesticides containers
▪ River system and Effluent Treatment/Discharge
▪ Buffer/Riparian Zones
▪ Controlled/open burning
▪ Landfill Verification.
▪ Chemical management
▪ Training and skill development programs
▪ Continuous improvement
Other area identified during the assessment.</td><td></td></tr>
<tr><td>12.30 pm</td><td colspan="3">LUNCH BREAK & ZUHUR PRAYER</td><td></td></tr>
<tr><td>1.30 pm</td><td colspan="3">Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records</td><td></td></tr>
<tr><td>5.00 pm</td><td colspan="3">Audit team discussion / Interim closing / End of Day 3 audit</td><td></td></tr>
<tr><td>9.00pm</td><td colspan="3">Discussion LA and teams on potential NCRs</td><td></td></tr>
</table>

Day 4: 1/08/2024 (Thursday)

<table>
<tr><th>Time</th><th colspan="2">Activities / areas to be visited</th></tr>
<tr><td>8.00 am</td><td colspan="2">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Kapis Estate</td></tr>
<tr><td rowspan="3">8.35 am</td><td colspan="2">To assign each audit team members – site and the P&C requirements</td></tr>
<tr><td>MZK</td><td>DA</td></tr>
<tr><td>Coverage of assessment: (Social – External & HCV & GAP)
▪ Site inspection/interview at production area
▪ Interview with external stakeholders i.e. local communities, government agencies, etc.
▪ Site visit at HCV area
▪ HCV/RTE and action plan.
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment and management plans.
▪ Local sustainable development
▪ Support smallholder inclusion
▪ Complaints and grievances
▪ External stakeholders issues & welfare
▪ Training and skill development programs
▪ Continuous improvement

Other areas identified during the assessment...</td><td>Coverage of assessment: (Social – Internal)
▪ Facilities provided at line site inspection (i.e. worker quarters, mosque, surau, community center, School/CLC, Humana/Crèche, provision shop & etc.
▪ Interview with mill workers – female, male, various nationality, various job scope, contractor workers, check roll workers
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Discussion with relevant management (CSR, community affairs) , Decent Living Wage, and view documentation such as SIA, assessment and management plans.
▪ Interview with Union/workers representatives
▪ Interview with gender committee, worker representative,
▪ Workers Issues & welfare
▪ Training and skill development programs
▪ Continuous improvement
Other area identified during the assessment.</td></tr>
<tr><td>12.30 pm</td><td colspan="2">LUNCH BREAK & ZUHUR PRAYER</td></tr>
<tr><td>1.30 pm</td><td colspan="2">Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records</td></tr>
<tr><td>3.30 pm</td><td colspan="2">Discussion and acceptance on assessment findings with Management Representative and etc</td></tr>
<tr><td>4.30pm</td><td colspan="2">Closing meeting at the Jeroco 2 CU (Places decided by Management) / End of audit</td></tr>
</table>

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

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 providing 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. The procedure involved internal and external consultation. The procedure The CU continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances are available through Hap Seng Plantations Holdings Berhad website at https://www.hapsengplantations.com.my/.
	1.1.2 Information is provided in appropriate languages and accessible to relevant stakeholders.	Yes	The CU continues to engage with stakeholders, including contractors, vendors/suppliers, government agencies, schools/CLC, local communities, neighboring estates, and others. It is noteworthy that Hap Seng Plantations has updated their website, https://www.hapsengplantations.com.my/ to include all management documents related to the unit's environmental, social, and legal issues. The information is provided in English and is accessible to relevant stakeholders. Information requests and responses are managed based on the Communication Procedure for handling communication with both internal and external stakeholders. External Communication Forms and Communication Records are utilized to maintain records, including authority visit logs.
	1.1.3 (C) Records of requests for information and responses are maintained.	Yes	Records of request for information and responses are maintained by the CU managements. Review on the file sighted the feedback form is available to been verified. The CU acquired all feedback form during internal meeting with workers and external stakeholder meeting to response accordingly on any feedback and request.
	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

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 made available. The list was updated in June 2024, that includes internal & external stakeholders.
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	The CU has implemented its *Anti-Bribery and Corruption Policy (ABC Policy)* and implemented its commitment across all business operations and transactions, demonstrating its commitment to maintaining the highest standards of integrity and professionalism. This ensures that the company conducts business in a transparent, appropriate, and fair manner. By adhering to these ethical guidelines, the company aims to promote trust and credibility with its stakeholders, including employees, customers, and partners.
	1.2.2 A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.	Yes	The vendor ethical business conduct applies to all its suppliers, consultants, recruitment agents, contractors /service providers who have direct dealings with the Group. All vendors are required to declare their compliance through the Integrity Declaration Form which includes a declaration to eradicate all forms of exploitation, including but not limited to modern day slavery and human trafficking.

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	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	Jeroco 2 CU had documented the List of Legal Register – Estates & Mills, covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment. 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.

Clause	Indicators	Comply Yes/No	Findings
	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 site visit at block9637, 9720 boundaries with IOI was sighted boundary stones were available and maintained with electricity fencing and visibly maintained.
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 the names of contractors, designated contact persons, address, telephone/fax/email and type of contracted work done. The list of stakeholders, internal & external 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. Legal due diligence is carried out by the Contracts Department at PCO on all FFB suppliers and third-party contractors including recruitment agencies and others. This include obtaining the contractors' registered company names and addresses, contact numbers, evidence of company registration, details of contractors' principal activities, authorised and paid-up capital, list of shareholders, board of directors, bank details, financial auditors, and current trading/business licences.
	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 the Processing Department. Based on contract agreement reviewed, sighted that it has included addendum which contained clauses disallowing child, forced and trafficked labour and where young workers are 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: • 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	Jeroco 2 POM kept the records for the following for the directly source of FFB at the Smallholder File: • Information on geo-location of FFB origins (outgrower and smallholder). • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder

Clause	Indicators	Comply Yes/No	Findings
	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.

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 budgets with projections until 2028. There is a 5-year financial plan comprising both OPEX and CAPEX. The cost of production is reviewed and compared against expenditure each year with projections in place for future years. The 5-year plan is available for the crop processed, produce and cost of production in RM, reviewed onsite.
	3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available.	Yes	The replanting program is documented in the *"Replanting Programme J2GOE 2012-2032".* The latest revision dated in June 2023, reviewed onsite.
	3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	Yes	Management Review Meeting (MRM) for J2 POM & Kapis estate were conducted in May 2024 at the Jeroco Club House after internal audit. It was chaired by the top management and attended by the executives and committee. Agenda for management review were: 1. Follow up actions from earlier MRM 2. Sustainability and adequacy of all SOPs 3. Sustainable Agriculture Policy 4. Results of internal audits 5. Changes In legal requirement of any compliance 6. Changes that could affect RSPO/MSPO/ISCC/SCCS management system 7. Complaint's/ Customer (internal/external) feedback 8. Accident & injury 9. Environmental quality 10. Waste management 11. Energy usage performance 12. Status of corrective actions 13. Recommendations for improvement 14. Improvement of the effectiveness

Clause	Indicators	Comply Yes/No	Findings
			15. Resources needed Management has transparently addressed continuous suitability, adequacy and effectiveness of the requirements for effective implementation of RSPO.
3.2 The CU 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 (5th review) dated in July 2024. 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 tally with their database system.
3.3 Operating procedures are appropriately documented, consistently implemented and monitored.	3.3.1 (C) Standard Operating Procedures (SOPs) for the unit of certification are in place.	Yes	Both mill and estate operations are guided by the Group's Manuals and Standard Operating Procedure. The mill processing guidelines and standards are detailed via the Standard Operation Standard which was updated in Feb 2023 to include ESP Boiler. Oil Palm Agriculture Policy (OPAP) is the manual used for the operations in the estate. The manual contained 15 Circulars. All activities in the estates, from seedlings in nursery to planting in the fields have been included in the Manual. The document specifies among others, the following sections such as pest & diseases management (control of Rhinoceros Beetles, rat, bagworms and nettle caterpillars, ganoderma), fertilizer of replanting (terracing and platforming, planting distances and lining), nursery (single and double stage nursery), manuring, weeding, water management, road maintenance management, thinning, epiphyte eradication, belt press solid application (BPS), pruning and harvesting. The CU also uses the following • Safe and Standard Operating Procedures of Estates dated 2016. • Safe and Standard Operating Procedures for Estates and Mills. It was also noted that relevant SOPs were displayed at various work stations for easy reference, for example, at the muster ground, workshop, riparian buffer zone, chemical storage and diesel storage.
	3.3.2 A mechanism to check consistent implementation of procedures is in place.	Yes	Both the estate and the Mill had established mechanisms to ensure consistent implementation of procedures. Some of the procedures are:

Clause	Indicators	Comply Yes/No	Findings
			Jeroco 2 POM i. Daily Production Report ii. Unscheduled General Manager – Processing min twice monthly Estates Operations i. Agronomic advisory report for 2022 & Fertiliser recommendations for 2023 ii. Plantation Advisory Report Internal audit by the Agronomy Dept (Sustainability Unit) scheduled once a year for each unit. The exercise is to inspect and monitor compliance on RSPO P&C, RSPO, ISCC and MSPO standard requirement. Results from assessment of which are tabled and discussed during the Management Review. The mechanisms as established have been implemented. This is verified via the records maintained in all units daily, monthly and annually.
	3.3.3 Records of monitoring and any actions taken are maintained and available.	Yes	Both J2 POM and Kapis Estate continued to maintain records of monitoring and of any actions taken. These have been made available for review during the audit.
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 CU. Therefore, this indicator not applicable. Nevertheless, Jeroco Group of Estates and Jeroco Palm Oil Mill 2 have prepared a Social Impact Assessment, Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plans. Please refer to Indicator 3.4.2 below for details.
	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	For Jeroco CU, the SIA and EIA reports separated. The SIA included Management Action Plans and Continuous Improvement Plans for Jeroco Group of Estates. This document was prepared in June 2012 by Agronomy Department. The SIA was carried out in the Jeroco POM 1, Jeroco POM 2, and their supply base, involving internal stakeholders, government agencies, NGOs, neighboring plantations, independent growers/smallholders, local communities, school/CLC, suppliers, contractors and other relevant parties whose participation and contribution were vital to the assessment. The findings of the assessments, along with recommendations for social impact management and mitigation, are presented in this report. The SIA also includes the baseline socio-economic data of the estates and POM, the social profile, as well as their stakeholders. The report also contains background information on the estates and POM, labour policies, grievance procedures (internal and external), sexual harassment policies, facilities and amenities offered by the estates, and the social impact assessment

Clause	Indicators	Comply Yes/No	Findings
			procedures and results. Secondary data collection, including document review and file checking, was also conducted. The social impact assessment and action plan concerning the legal status of dependents were conducted within the CU. The assessment identified necessary steps and timelines to ensure that dependents' legal status is regularized. The action plan outlines a comprehensive approach to address any issues and ensure compliance with legal requirements. Environmental Impact Assessment (EIA), Management Action Plans and Continuous Improvement Plans which cover upstream activities such as FFB reception until downstream processes were sighted during assessment. Last reviewed was in July 2024 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. The environmental aspect and impact (EAI) also cover the upstream activities such as FFB reception until the downstream processes.
	3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.	Yes	The social management and monitoring plan prepared internally by the Agronomy Department for the Jeroco CU has been implemented, reviewed and updated annually in a participatory way. Based on the documents sighted, the annual reviews were done participatorily with affected stakeholders as evidenced by the minutes of discussions. Environmental Impact Assessment (EIA), Management Action Plans and Continuous Improvement Plans which cover upstream activities such as FFB reception until downstream processes were sighted during assessment 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. For the estate, 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. At the POM, specific impacts identified include biogas, smoke emissions, noise levels, POME and EFB management. Data was collected and analyzed 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

Clause	Indicators	Comply Yes/No	Findings
			changes identified in the mill operation, therefore no timetable for any change is required.
3.5 A system for managing human resources is in place.	3.5.1 Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.	Yes	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives. The recruitment process was clearly stated in the procedure where the recruitment was based on age, medical fitness and etc. There is no discrimination based on religion, gender, nationality etc. during their recruitment. The recruitment process is based on skills, capabilities, medical fitness necessary and etc.
	3.5.2 Employment procedures are implemented, and records are maintained.	Yes	Based on the review of workers' personal files and interviews conducted, evidence was available that employment records were maintained, and employment procedures implemented. For local workers, application forms, employment interview assessment forms, medical check-up report and employment contract were sighted for new recruited employees. Foreign workers are managed by the Personal and Administration Department. Recruitment vacancies via walk in process and typically spread through family members. The responsible foreign worker recruitment mechanism, which includes monitoring and due diligence, is outlined in the employment procedures. This procedure clearly details the walk-in process and timeline for working pass applications.
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	The estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records were verified during the assessment. HIRARC is subject for a review in event of the following; a) Change in work process b) Revision/changes in legislative requirement c) Occurrence of accidents HIRARC for the mill established with latest review made annually the recent being in May 2024. The significant and routine activities for mill were adequately covered with details as follows;

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th></th><th>Areas/Activities (Mill)</th><th></th><th>Areas /Activities</th></tr>
<tr><td>1</td><td>Reception –Weighbridge</td><td>9</td><td>Engine Room</td></tr>
<tr><td>2</td><td>Fruit Handling</td><td>10</td><td>Jetty Bulking Installation</td></tr>
<tr><td>3</td><td>Sterilizer</td><td>11</td><td>Laboratory</td></tr>
<tr><td>4</td><td>Threshing</td><td>12</td><td>Water treatment</td></tr>
<tr><td>5</td><td>Clarification / Oil Room</td><td>13</td><td>Effluent Treatment Pond</td></tr>
<tr><td>6</td><td>Boiler House</td><td>14</td><td>Incinerator</td></tr>
<tr><td>7</td><td>Confined space</td><td>15</td><td>Working at height</td></tr>
<tr><td>8</td><td>Biogas Station</td><td>16</td><td>ESP</td></tr>
</table>

The estate had reviewed the HIRARC document in Feb 2024. Amendments are summarized in a list detailing dates and reasons for updates.
<table>
<tr><th></th><th>Areas/Activities Estate</th><th></th><th>Areas /Activities Estate</th></tr>
<tr><td>1</td><td>Palm /bunch census</td><td>13</td><td>Harvesting & collection</td></tr>
<tr><td>2</td><td>Circle /selective spraying</td><td>14</td><td>Transportation workers</td></tr>
<tr><td>3</td><td>Confined space</td><td>15</td><td>Walking palm to palm</td></tr>
<tr><td>4</td><td>Drainage–machine</td><td>16</td><td>Loose fruit collection</td></tr>
<tr><td>5</td><td>Grass cutting</td><td>17</td><td>In field machine 10 mt</td></tr>
<tr><td>6</td><td>Compound sanitation</td><td>18</td><td>Water catchment</td></tr>
<tr><td>7</td><td>Fertilizer application</td><td>19</td><td>Chemical mixing</td></tr>
<tr><td>8</td><td>Replanting</td><td>20</td><td>Pest & Disease</td></tr>
<tr><td>9</td><td>Bridge maintenance</td><td>21</td><td>Workers quarters</td></tr>
<tr><td>10</td><td>Water treatment plant</td><td>22</td><td>Workshop operations</td></tr>
<tr><td>11</td><td>Covid 19 monitoring</td><td>23</td><td>Road Maintenance</td></tr>
<tr><td>12</td><td>Building Construction</td><td>24</td><td>SW storage</td></tr>
</table>

The policy had been communicated to all levels of the organization through briefings and also displayed prominently in Bahasa Malaysia and English on notice boards at mill and estate office and muster ground.
</td></tr>
<tr><td></td><td>3.6.2 (C) The effectiveness of the H&S plan to address health and safety risks to people are monitored.</td><td>Yes</td><td>Occupational health and safety (OHS) 2024 management plan for Jeroco 2 CU had been established. The OHS management plan sited addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, audiometric test, use of PPE, OSH Committee meetings, etc. Generally, the OSH plans FY 2024 were acceptable. Safety executive carried out safety requirements checking via Internal Audit. Other than that, the workplace inspection was done on a monthly basis to ensure all H&S plan was done effectively.</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
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 2024. The Program was established based on training needs identification. Regular assessments of the effectiveness training continued conducted by the CU management. Training plan for 2024 had been established with target month/dates for the training identified. The training program has been reviewed during audit.
	3.7.2 Records of training are maintained, where appropriate on an individual basis.	Yes	Records of training are maintained accordingly.
	3.7.3 Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.	Yes	Training has been conducted in June 2024 for supply chain certification sustainability. Training focus on relevant Supply Chain related procedures and record. Training material was found to be adequate in addressing the standard requirements. The training was conducted to all PIC involved with the SCCS systems included the outsource contractor.

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 process certified and uncertified FFB without physically separating them, the inly MB Module is applicable.	Yes	Jeroco 2 Mill has IP and MB supply chain module. During this assessment, IP-certified FFB has been processed from April – June 2024 sighted with the amount of crop as reported in Table 3 in this report. The FFB sourced from the companies certified CU supply bases i.e., Kapis, Batangan, Lungmanis, Lokan, Litang Estate and certified FFB from surrounding smallholders and small growers such as First Raintree, Harus Abadi, Bukit Kretam Sdn Bhd, Lebijaya.
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 3rd party certified supply base.	Yes	Jeroco 2 Mill has IP and MB supply chain module. Jeroco 2 POM received certified FFB from Kapis Estate, diversion from another CU which is Lokan Estate, certified FFB from surrounding smallholder and small grower and uncertified FFB from Northbank Estate, Surrounding Smallgrower and Small holder (4 suppliers). During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products. Refer to Table 3-MB for the relevant production data.
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	Yes	Projection data available as in Table 4 of this report.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform).	Yes	The mill observed to have met registration and reporting requirements for supply chain through the RSPO Palm Trace. The registration information was: Name: Jeroco Plantations Sdn Bhd – Jeroco Palm Oil Mill 2 Country: Malaysia. Member Category: Oil Mil Core product: Palm Oil Copy of Shipping Announcement was provided during the audit as evident of compliance to reporting requirement as listed by the standard.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.5	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: • 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	Jeroco 2 POM had used their documented procedure title '*Standard operating procedures for Supply Chain SOP/COC/003,* and latest review was in *April 2024.* The procedure is complete and up to date, covering the implementation of all the elements of the supply chain model requirements including receiving and processing certified and non-certified FFBs. Since this is MB mill, there is no problem regarding non-certified FFB. - The procedure was kept in file RSPO Supply Chain and Traceability. Training has been conducted in June 2024. Training focus on relevant Supply Chain related procedures and record. Training material was found to be adequate in addressing the standard requirements. The training was conducted to all PIC involved with the SCCS systems included the outsource contractor. - Based on appointment letter dated in Apr 2023, the Mill Manager was appointed as Person-in–charge for RSPO/ISCC/MSPO on site, assisted by weighbridge operators and other defined critical control point (CCP) personnel (i.e. auxiliary police, and QA).

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.6	The site shall have a written procedure to conduct annual internal audit to determine whether the organisation; • Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. • Effectively implements and maintains the standard requirements within its organisation. • Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non- conformities shall be subject to management review at least annually. The organisation shall be able to maintain the internal audit records and reports.	Yes	As describe under para 8.4 SOP for Supply Chain, Chapter 1: CSFFB, CSPO and CSPK traceability System – Chain of custody, JPOM2 refer to flow Chart Internal Audit System which is follow the RSPO Supply Chain Certification Standard Revision 2020 requirements. 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 2024 by a group of internal 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 raised by internal auditor team. Audit Attendance sheet, audit plan, audit notes, was sighted during the conduct of audit. As describe under para 8.5 SOP for Supply Chain, Chapter 1: CSFFB, CSPO and CSPK traceability System – Chain of custody, defined that the management review will be conducted once a year. The management review meeting has been conducted in May 2024 (combine RSPO, RSPO SCCS and MSPO).

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.7	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. The site shall inform the CB immediately if there is a projected overproduction of certified tonnage. The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Yes	Jeroco POM 2 continued to receive non-certified FFB between July 2023 and March 2024, while certified FFB in Apr to June 2024. The mechanism for handling non-conforming oil palm products and/or documents is in-place. No overproduction noted. Details of certified tonnage as per Table 1 and Table 3. The validity of the certificate of the supplier has been checked accordingly. Sighted sample FFB consignment notes and among the information available on the FFB consignment note are estate name, delivery date, no of FFB bunches, FFB weight, quantity, unique identification number. Monitoring records titled as *"Supply Chain MB"* has recorded the tonnage of certified FFB and its supplying estate. Verified through Jeroco POM 2 weighing system called 'LAK System' *and* random sample of weighbridge ticket from the system was carried out during the audit.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.8	Sales and Goods Out 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 document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documentation and specification documentation): 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	The procedure (SOP Traceability, Chapter 5: Monitoring of CSPO and CSPK Sales) in handling sales and delivery was sighted and found adequate. Sales activities usually handled by Hap Seng Plantation Holding Berhad- commodities Trading in Kuala Lumpur on behalf of Jeroco 2 POM. From July 2023 to June 2024, samples of the delivery documents were sighted during the audit, and it was found all related information was adequate. Jeroco 2 POM's RSPO certificate number and product name together with model used were stated in the delivery documents.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.9	Outsourcing Activities (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. (ii) The mill shall ensure the following: a) The mill has legal ownership of all input material to be included in outsourced processes 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. c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to the respective operations, systems, and all information, when this is announced in advance.	Yes	There is contract document between J2POM and the transporters and the communication on the RSPO supply chain requirement was communicated to them. There is addendum a clause regarding Supply chain standard in clause 32 of the agreement. The mill has ensured that CB has access to the outsourcing contractor or operation if an audit is deemed necessary was stated in the same clause of the addendum of contract. Training has been conducted in June 2024 by the mill personnel focusing on relevant Supply Chain related procedures and record. Training material was found to be adequate in addressing the standard requirements. The training was conducted to all PIC involved with the SCCS systems included the outsource transporter.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.10	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Yes	List of contact person for outsourced transporter was made available and up to date in the stakeholder list. And was updated in June 2024.
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 since transportation and storage of certified finished products are handled using barge 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 requirement.
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. 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	JPOM 2 continued to keep record and balances of all receipts of RSPO-certified FFBs and deliveries of RSPO-certified CPO and PK on a real time basis in the table named 'Supply Chain Mass Balancing'. From Apr 2024 to June 2024, Jeroco 2 POM delivered IP-certified PK, and it has been indicated that both positive balances for the certified CPO and palm kernel. Randomly selected weighbridge tickets issued during Apr 2024 to June 2024 by JPOM2 for delivery of PK and all weighbridge tickets issued indicated the status of the CPO and PK (RSPO IP).
	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	Yes	JPOM 2 continued to keep record and balances of all receipts of RSPO-certified & uncertified FFBs and deliveries of RSPO-certified CPO and PK on a three-monthly basis in the table 'Supply Chain MB'. Random selection of the weighbridge tickets issued during July 2023 to June 2024 by JPOM2 for delivery of PK. All weighbridge tickets issued had indicated the status of the CPO and PK (RSPO MB).

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	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).		
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	J2POM process all the received certified crops & 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 a daily & monthly basis by the mill using the prepared template (e.g. Monthly Production Report) 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	Jeroco 2 POM (J2POM) has planned to certify their mill using 2 Models Which is IP and MB. J2POM sourced for their FFB supply from own company for IP model estate namely Kapis Estate and diversion from other CU certified estates and certified grower and small holders. For MB Model there are 3 Out grower and 3 Small Holders. Relevant process during IP-process and MB-process has been clearly defined in the established procedure. It can be confirmed that the established process can ensure 100% separation for IP & MB-certified products, accordingly.
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	Yes	The registration of transaction being carried out by Group Plantation Marketing subordinate using the RSPO Member ID. The mill receives copy of transaction input to the system on a monthly basis based on contract summary (buyer weight being put in). JPOM2, usually handled by procedure in handling of sale and delivery, was sighted and found adequate. Sales activities are usually handled by Hap Seng Commodities Trading Department (HQ) on

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	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		behalf of Jeroco 2 POM. The Personnel updated the RSPO IT platform system upon confirmed contract. Samples of shipping announcements were verified during the audit, and it was also confirmed through Transaction in Palm Trace, there is no remove made by the Jeroco 2 CU. It will be done at the end of the license period.
3.8.17	Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.	Yes	Relevant information on product claim (including applicable SC model and certificate no.) being correctly indicated in the relevant outgoing paperwork e.g. PK billing, CPO billing, JPOM2 weighbridge advice ticket and JPOM2 palm kernel/ CPO delivery note. JPOM2 apply to the 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 2022).

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 the CEO containing the clause prohibiting retaliation against Human Rights Defenders. The policy has been communicated to staff and workers during morning muster and training. Auditors have verified through interviews with workers and workers understand this policy.

Clause	Indicators	Comply Yes/No	Findings
	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 affected parties.	4.2.1 (C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.	Yes	The estate and mill have developed procedures to handle grievances and disputes for staff and workers. It has been made available for review during audit.
	4.2.2 Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.	Yes	It was found that the system was understood by the affected parties, including the illiterates. 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 (External and Internal Stakeholder). For foreign workers, the procedure was explained during the initial report for duty with the 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 held (External and Internal 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 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 CU contributes to local sustainable	4.3.1 Contributions to community development that are based on the results of consultation with local	Yes	Sighted record showed Hap Seng Plantations Holdings Bhd contributed 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. Donations were provided related to

Clause	Indicators	Comply Yes/No	Findings
development as agreed by local communities.	communities are demonstrated.		operation of the Humana. 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 consent.	4.4.1 (C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and/or the actual legal or customary use of the land are available.	Yes	The right to use the land at the Jeroco 2 CU can be demonstrated and not disputed by any party. Evidence of legal ownership of the land including the history of land tenure was verified during this audit. For Kapis Estate the land was previously owned by Sabah Land Development and Jeroco Plantations Sdn Bhd bought and develop the land in 01/01/1980. There were clear landownership documents available for review. The original copies of the documents were kept in the Plantation Central Office, Sg. Segama. Copies of land titles for the estate were 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.
	4.4.2 Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	Yes	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 was no land issues related to previous owners.
	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	

Clause	Indicators	Comply Yes/No	Findings
	4.4.2c Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the 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 affected parties (including neighboring communities where applicable, and relevant authorities).	Yes	As reported in Indicator 4.4.1, It has been verified that the land is legitimately owned by Jeroco 2 CU since 1 January 1980. All the related documentation regarding the land acquisition was kept in Plantation Central Office, and the copy in the estate was verified by the auditor. Thus, there were no issues regarding land with villagers, local community and neighboring estate.
	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 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. There were no local communities living in or neighboring 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	
	4.4.6 There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.	Yes	
4.5 No new plantings	4.5.1 (C) Documents showing identification and assessment of	Yes	Based on Social Impact Assessment (SIA) Report for Jeroco 2 CU and land title, there were no new plantings established on local peoples' land. It has been verified that the land is legitimately

Clause	Indicators	Comply Yes/No	Findings
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 representative institutions.	demonstrable legal, customary and user rights are available.		owned by Jeroco 2 CU. The audit team had confirmed that there was 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. Details of previous landowner reported in indicator 4.4.1 above.
	4.5.2 (C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.	Yes	As reported in 4.4.1 of this checklist, 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 interviewing 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 were also no local communities living in or neighboring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities and FPIC.
	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	

Clause	Indicators	Comply Yes/No	Findings
	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. The audit team had also confirmed this through interviewing 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 were also no local communities living in or neighboring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities and FPIC. This Indicator is not applicable.
	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	
	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	
	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	
4.6 Any negotiations concerning compensation for loss of legal, customary or user	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 has 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 the 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

Clause	Indicators	Comply Yes/No	Findings
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.			their views through their own representative institutions. However, the CU has not conducted any negotiations concerning compensation for these last 12 months.
	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 is available, and the issues (if any) will be dealt with in accordance with this standard requirement. However, the stakeholders have confirmed that there was no existing/known dispute that caused 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.
	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	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 ensured 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. 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.

Clause	Indicators	Comply Yes/No	Findings
agreements.	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 rights.	4.8.1 Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.	Yes	As reported in 4.4.1 of this checklist, 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 interviewing 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 were also no local communities living in or neighboring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities and FPIC. This Indicator is thus, not applicable.
	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	
	4.8.3 Where there is evidence of acquisition through dispossession or forced abandonment of customary	Yes	

Clause	Indicators	Comply Yes/No	Findings
	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 reqs.		
	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 interviewing 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 were also no local communities living in or neighboring Jeroco 2 CU, hence, no evidence of any land dispute involving local communities and FPIC. This Indicator is thus not applicable.

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 2023 until to date (June 2024) 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. Training and briefings were conducted explaining on FFB Quality, FFB Grading, Calculation Payment by MPOB, Oil Extraction Rate (OER), and calculation of pricing given to Smallholder. The field day also conducted every monthly by mill to all the small holders where FFB pricing were explained.
	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.

Clause	Indicators	Comply Yes/No	Findings
	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 suppliers with JPOM2 were available and sighted. During interview with FFB Suppliers, 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 other support mechanisms applicable which is not applicable to them because they are operate by themselves. Hap Seng Management also supports smallholders by giving 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. Contracts are signed when necessary, and they contain schedule of rates, conditions of contract, event of default, payment terms according to the volume, FFB price, OER price, Specifications FFB, Bonus for Sending FFB. Consultations with FFB Suppliers confirmed that they understand the salient points in the agreement, namely contract duration, rate of payment, their obligations under the contract, etc. They also confirmed that the contracts 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 contractors confirmed that payments were received within a reasonable timeframe which is 7-10 days after submission of invoice. And receipts contain specifying price, weight, deductions and amount paid are given.
	5.1.7 Weighing equipment is verified by an independent third party on a regular basis (this can be government).	Yes	Weighing Equipment in Jeroco 2 POM has been calibrated in yearly basis using Metrology Corporation Malaysia Sdn Bhd.
	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.

Clause	Indicators	Comply Yes/No	Findings
	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* A*duan dan Permasalahan*)' and 'Grievances Procedure – Appendix 1' for staffs and workers developed 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 consult with interested smallholders (irrespective of type) including women or other partners in their supply base and already assess their needs for support to improve their livelihoods and their interest in RSPO certification. Records showed Hap Seng management had consulted smallholders/outgrowers Lim Engit Fun, Koperasi Pembangunan Desa and Chin Hock Vui regarding the advantage of RSPO certification. As of todate, LKM Plantation has added one new member and in progress to add another one.
	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 programs to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies. Hap Seng gives support to surrounding smallholders and growers by giving them Free Consultation, Free Assessment, and anything related to RSPO and MSPO certification. Until to date the surrounding smallholders who are RSPO certified are Spark Glory, Harus Abadi, LKM Trading, Bukit Kretam and Lebijaya. Currently on progress for RSPO and MSPO certification is, Khoo Chin Hung, and LPC plantation.
	5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.	Yes	Hap Seng gives support to surrounding smallholders and growers to promote legality of their FFB production by giving them Free Consultation, Free Assessment, and anything related to RSPO and MSPO certification.
	5.2.4 (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling.	Yes	Reviewed the training on Pesticide handlings has been given to surrounding Smallholder and Small grower at Lebijaya in 2023 & 2024. Until today smallholders who are RSPO certified is Spark Glory, Harus Abadi, LKM Trading, Bukit Kretam and Lebijaya. Currently progress for RSPO and MSPO certification is, Khoo Chin Hung, and LPC Plantation.
	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 stakeholders around their estate. Hap Seng Plantations also regularly reviews and publicly reports on the progress of the smallholder support programme as per seen in the Hap Seng Plantation Holdings Berhad 2023 ACOP report in the clause 4.4.1. As of to date, surrounding smallholders who are RSPO certified is Spark Glory, Harus Abadi, LKM Trading, Bukit Kretam and Lebijaya. Currently in progress for RSPO and MSPO

Clause	Indicators	Comply Yes/No	Findings
			certification are Khoo Chin Hung, and LPC plantation.

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 CU pledges to Hap Seng Plantations Holdings Berhad's Sustainable Agriculture Policy. This public policy addresses discrimination and the implementation of equal opportunity. The Policy was communicated through morning briefings to all local and foreign workers. Interviews with a sample of local and foreign check-roll workers confirmed that they are aware of the policy and have not experienced any discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation, or age. The policy is also publicly displayed on noticeboards in the housing area and office, and it is explained during the induction course for newly arrived workers.
	6.1.2 (C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for migrant workers.	Yes	Based on documentation review, which included employment contracts, workers' pay slips, and interviews with sampled local and foreign check roll workers, there was no evidence of any forms of discrimination. Employment contracts and pay slips revealed that local workers receive the same rate of pay as foreign workers, along with housing allocations and the ability to enjoy the same benefits such as medical coverage and use of amenities. Overtime was given to all workers without prejudice based on caste, gender, race, or nationality. Workers are allowed to transfer workstations by obtaining approval from management if they feel unfit for the work assigned. Additionally, there is no evidence of payment of recruitment fees by foreign workers.
	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	The company has developed employment procedures to explain the procedure of recruitment of local and foreign workers. The procedures provide clear flowcharts from recruitment and retirement until termination. Review of the workers' files sampled during this audit demonstrated that medical fitness is one to the elements for job selection. However, this is not considered as discrimination as it is important to know if the worker is fit for the job. The registration cards of the workers do not specifically state any illness. The cards only state "Fit for work". There is no discrimination based on religion, gender, nationality etc., during their recruitment. The recruitment process is based on skills, capabilities, medical fitness necessary etc. This was confirmed during the stakeholder's consultation, worker's interview, complaint book and workers representatives meeting. Sighted, the job

Clause	Indicators	Comply Yes/No	Findings
			description of each worker mentions the same regardless of skin colour, religion, race or caste.
	6.1.4 Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.	Yes	The CU was able to demonstrate that pregnancy testing is not conducted in a discriminatory measure. Female workers interviewed during this recertification audit also confirmed the same. The Medical Assistant also confirmed that female workers whose work involve contact with chemicals such as those in the lab, manurers, sprayers will not be terminated upon pregnancy. However, in the interest of the mother's health, she would be transferred to do an alternative employment once she is confirmed pregnant. Although there were pregnant mothers during this audit period, none of them was a manurer or a sprayer, or worked in the lab.
	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	The Sustainable Agriculture Policy includes a commitment to facilitating the advancement of women at all levels in our organization and ensuring their protection. To support this, Gender Committees have been established at the CU, consisting of female employees. The organizational charts of these committees confirm the representation of members from various roles within the mill and estate. The Chairman of POM & Kapis Estate, who previously served as Chief Clerk, has appointed secretaries to handle coordination duties. The Secretaries are expected to oversee the implementation of key initiatives and ensure that all tasks are carried out efficiently. Interviews with the Chairpersons and their respective Secretaries confirmed their commitment to fulfilling their roles within the committee. They demonstrated a clear understanding of their responsibilities and expressed readiness to contribute to the successful execution of the committee's objectives. Meetings are held once a year, and based on interviews with committee members and reviews of meeting minutes, these committees serve as platforms to raise awareness among members about issues concerning women, such as sexual harassment, domestic and other forms of abuse, and children's health, immunization, and education. However, the formation of the gender committee in the CU has been inconsistent, leading to gaps in both its structure and effectiveness. Interviews with female workers and committee members revealed that the committee members are only able to explain subjects related to sexual harassment and sports activities. This limited scope of understanding highlights a significant gap in the committee's ability to tackle a broader range of gender-related concerns. There are currently no established measures for raising awareness, identifying, or addressing other issues affecting women, as well as for creating opportunities and improvements for them. As a result, Major NCR DA 01 2024 was raised.

Clause	Indicators	Comply Yes/No	Findings
	6.1.6 There is evidence of equal pay for the same work scope.	Yes	The equal opportunities policy is contained within the policy of Sustainable Agriculture Policy, which 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. The policy statement was displayed on notice boards in both Bahasa Malaysia and English. Interview with sampled check roll local and foreign workers, they agreed that they have received equal pay for the work given. For example, the sprayer gang has been paid by piece rated and the same gang also receives the piece rated pay. For harvesters also they received the same rate for all harvesters in the estate. Any differences for the pay rate will be for tall palm and the short palm. For mill and estates general workers they receive daily payment as per Minimum Wages Order 2022. Based on interview and documentation records, there is evidence that equal pay for the same scope of the job.
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	The CU documentation of pay is in the form of monthly pay slips. Conditions of pay are included in the workers' respective employment contracts. Samples of the monthly pay slips and employment contracts were made available and reviewed during the audit. The employment contracts issued to all workers (local and foreign) have been prepared in Bahasa Malaysia. Labour laws, contract agreement detailing payments and other conditions were made available in the languages understood by the workers and explained to them before signing the contract, mainly during induction. Included in the employment contract such as public holidays, paid annual leave, sick leave, final repatriation costs to be paid by employer, and mutual termination of contract. Each pay slip contains the name of employee, month of pay, income (basic, overtime, allowances), deductions, net salary, number of working days and non-working days, unpaid leave etc. Interviews with workers reveal that they understand the contents of the employment contracts and their detailed payment (pay slips) and will seek explanation from the management should they require further clarifications. It was verified that workers are being paid in accordance with the requirements stipulated under the Minimum Wages Order 2022 and Sabah Labour Ordinance.
	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	Yes	Employment contracts signed between the CU management and their employees contain employment and payment terms and provisions covering contract duration, place of work, job specifications, working hours and overtime, designated public holidays, workers' annual leave, medical expenses, sick leave, maternity leave, workers' and employee's obligations, payment of foreign workers' levy by employer, payment of passport and PLKS by workers, and allowances, insurance scheme, EPF for local workers, salary deduction, mutual termination of contract, contract extension, etc. There is also evidence that the contracts agreement is prepared in a language understood by workers and explained to them upon signing off the contract agreement. Worker's remuneration is either daily or

Clause	Indicators	Comply Yes/No	Findings
	all work performed. This includes a form of record for work done by family members.		piece rate based on Sabah Labour Ordinance and the decent living wages (DLW) formulated by the company in the work done. Payslips are issued to the workers every month, before or by 7th. The pay slip contains the following information: employee name, employee ID, IC/passport, month of pay, work description, normal work, overtime pay, piece-rate work, public holiday pay, deductions such as SOCSO, EIS, KSWP, average daily rate, total income for the month, total deductions and their net pay. It is confirmed that none of the workers have family members assisting them with their work. During interviews with workers (both local and foreigners) at the mill and estate comprising sprayers/manurers and harvesters, general workers and Mill workers, they generally understand the contents of the employment agreements and the payslips.
	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	The employment contract demonstrated evidence of legal compliance regarding regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, and other legal labor requirements. As per the employment contract, regular working hours are set at 48 hours per week. Overtime has been mutually agreed upon between management and workers, meeting legal requirements. Overtime is offered when there is additional work, and no discrimination has been observed. Interviews with sampled female workers (especially mothers) and the chief clerk, as well as verification of pay slips, confirmed that workers with medical certificates are granted paid medical leave, and female workers are given 60 days of paid maternity leave. There is no evidence of terminations, so compliance with reasons for dismissal and periods of notice could not be verified during this audit.
	6.2.4 (C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure.	Yes	The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational, and welfare amenities that meet national standards. Workers with families are each given a house, while single workers are provided shared housing for 2 or 3 people per house. Other amenities, such as a community hall, place of worship, and sports facilities, are also provided. Government school, Community Learning Centers (CLC) and Humana are available within or near the estate complex, ensuring children have access to quality education without the need for long commutes. This proximity to educational facilities supports the workers' ability to maintain a stable family life. Additionally, a crèche is available on the estate, providing childcare support and enabling workers to focus on their duties without concern for their children's safety and well-being.
	6.2.5 The unit of certification makes efforts to improve workers' access to adequate,	Yes	Efforts were made to improve workers' access to adequate, sufficient and affordable food. A mill canteen is available at JPOM2 which sells meals at a subsidized price. Additionally,

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td>sufficient and affordable food.</td><td></td><td>there are also grocery stores where workers could purchase their daily needs. Interviews with the workers confirmed that the price of items sold is reasonable considering the distance to the nearest town. At the workers' housing, workers are also allowed to plant their own vegetables to supplement their diet.</td></tr>
<tr><td></td><td>6.2.6 A "DLW" is paid to all workers, including those on piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.
PROCEDURAL NOTE:
A written policy with specific implementation plan, committing to payment of a "decent living wage" is in place.
The implementation plan with specific targets, and a phased implementation process will be in place, including the following:
• 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.</td><td>Yes</td><td>Sighted was the prevailing wage calculated for both Kapis Estate and JPOM2 from January – December 2023. The calculation took into account costs of housing electricity & water, education, creche facilities, healthcare, transport, clothing, food, sports & recreation facilities.

<table><tr><th>Prevailing wages</th><th>Local worker (RM)</th><th>Foreign worker (RM)</th></tr><tr><td>JPOM2</td><td>1716.80</td><td>1911.13</td></tr><tr><td>Kapis Estate</td><td>1610.00</td><td>1862.01</td></tr></table>
Based on the above, the assessment conducted by the CU in determining prevailing wages is acceptable.</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
	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.		
	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	The CU employs full-time check roll employees. Foreign workers which mainly Indonesian are full-time employees but have a contractual duration which is stipulated in their employment contracts which is 2 years for Indonesians. 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 and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.3.1 (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 all workers, in language that they understand, and is demonstrably implemented.	Yes	Recognition of freedom of association is available in the HSP Policy entitled “Policy on Freedom of Association and Rights to Collective Bargaining”. The policy states that the company respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. This policy is applicable throughout all operating units and is printed and translated in Bahasa Malaysia. The policy was seen displayed on notice boards in the estate and mill communicated to workers accordingly. The policy was explained to all workers during morning muster and demonstrably implemented in the Joint Consultative Committee (JCC). The JCC was implemented comprised with POM and estate management for the employees to speak freely, and the meeting will be conducted once a year. Interviews with sample workers are aware of their workers’ representatives.
	6.3.2 Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.	Yes	Although there were no official trade unions operating within the CU, workers have appointed their own representatives to sit on the Employee Committee Representative. The JCC comprises both worker and estate and POM management representatives, ensuring balanced representation and promoting open communication between the workforce and management. This structure allows workers to voice their concerns, provide feedback, and participate in decision-making processes, which enhances social issues and employee satisfaction. Minutes of the JCC meetings were documented, sighted, and verified, demonstrating transparency and accountability. The sighted workers' representatives were selected from various job scopes, including the leader of the housing block in the worker quarters, ethical leaders, ensuring diverse representation and a comprehensive approach to addressing workers' concerns.
	6.3.3 Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected	Yes	Interviews with workers’ representatives in the CU confirmed that management did not interfere with the formation of the association. All representatives were freely elected by the workers.

Clause	Indicators	Comply Yes/No	Findings
	representatives for all workers including migrant and contract workers.		
6.4 Children are not employed or exploited.	6.4.1 A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.	Yes	The formal policy for the protection of children, including prohibition of child labour and remediation was in place under the Sustainable Agriculture Policy. The policy emphasized that the company is committed to ensuring all workers and children's safety are protected and all employment are within the minimum age limit and in compliance with national regulations and state ordinance. The policy was communicated directly during various meeting with both internal and external stakeholders of the CU and indirectly via website as per link as following: https://www.hapsengplantations.com.my/.
	6.4.2 (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.	Yes	The employment documentation verified including the Employee Master Lists and sample personal particulars confirmed that minimum age requirements of above 18 years old met for all the workers employed in all operating units within the CU. The computerized Movex System able to verify and screen the age of employees upon data entry.
	6.4.3 (C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.	Yes	Based on documents sighted, interviews and observations, there was no evidence that Kapis Estate and POM employ anyone below the age of 18 years. This was verified by examining the master lists of each operating unit where details of the workers' particulars and dates of birth are available. Interviews with workers and staff, as well as observations made during field visits confirm that only those above 18 are employed.
	6.4.4 The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.	Yes	The company has a no child labour policy which is displayed on the company's noticeboards. Interview with sampled workers indicates the policy has been communicated to them at their morning musters. Also, during stakeholders' consultations with the communities and third-party contractors, they did confirm the policy has been shared with them and communicated to their understanding. In addition, the CU has been issued a Integrity Declaration Form by Vendor that is to be signed by all contractors, suppliers and vendors. The Pledge states that the undersigned has read, understood and will comply to the Vendor Ethical Business Conduct and Hap Seng Plantations Sustainable Agriculture Policy.

Clause	Indicators	Comply Yes/No	Findings
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	The policy to prevent sexual and all other forms of harassment and violence was implemented under the Sustainable Agriculture Policy. The policy is displayed on notice boards at the estate and POM offices. As at todate, there is no evidence or acts that contradict this policy were observed as interviewed the women workers/staffs and representative from gender committee during the audit in the CU. The CU's have briefed their employees during morning muster and additionally, the CU has formed a Gender Committee responsible for organizing relevant activities and programs. The Sustainable Agriculture Policy and the flowchart for handling sexual harassment issues have been explained to all levels of the workforce during Gender Committee meetings. This ensures that everyone is informed about the procedures for addressing and resolving any issues related to sexual harassment, promoting a safe and respectful work environment.
	6.5.2 (C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.	Yes	The policy to protect the reproductive rights was implemented which provides protection of reproductive rights for all, especially women. The Labour Standard specifies that the company recognizes employees' rights to reproduction and reproductive health, including the right to make decisions regarding reproduction. Based on interviews with sampled female workers, there is evidence that this standard is being implemented: female workers are entitled to 60 days of paid maternity leave, and pregnant women are assigned light work. During interviews with sampled female workers, they demonstrated a clear understanding of their reproductive rights and expressed their awareness. The policy and procedure were also communicated to all levels of the workforce through Morning Muster and the Gender Committee. The policy grants employees the right to decide freely and responsibly about their family planning and to make decisions concerning reproduction free from discrimination, coercion, and violence.
	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	As verified during an on-site interview with relevant stakeholders, management of estate and POM conducted the assessment in consultation with new mothers and taken actions to address their needs. With regards to Kapis Estate, the new mothers' needs were assessed in Feb 2024, sighted the needs for the mothers required breastfeeding 30 mins time.
	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 CU has established a Grievance Procedure. This procedure ensures respect for anonymity and protects complainants when requested. Additionally, the Guideline/Procedure for Sexual Harassment, was implemented to outline the actions to be taken if any cases are reported. The flow chart for this guideline is divided into three categories: workers, graded staff, and executives. The procedure outlines the timeline for each stage of handling a complaint. A complaint panel has been established to address any grievances within the CU. The grievance procedure was communicated during morning muster sessions and gender committee meetings. Interviews with sampled female workers and the gender committee chairman confirmed that they are aware of the

Clause	Indicators	Comply Yes/No	Findings
			complaint procedure. They also reported that there have been no cases of sexual harassment or violence. This structured approach ensures that all employees are informed of their rights and the processes in place to address any issues, fostering a safe and respectful work environment.
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: • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty to the workers for termination of employment • Debt bondage • Withholding of wages	Yes	Based on extensive interviews conducted with a representative sample of foreign workers, several key findings emerged regarding their employment conditions. Firstly, it was observed that these workers keep their passports, a practice supported by the provision of safety lockers by the management. This measure ensures the security of their important documents, with passports being surrendered solely for the purpose of permit renewal, indicating a responsible approach by the management to document handling. The voluntary nature of overtime work, coupled with appropriate payment practices, reflects a respect for workers' time and labor, with no coercive measures observed. Similarly, the freedom of movement enjoyed by these workers, allowing them to leave the premises at their discretion, signifies a level of autonomy and trust in their conduct. Another significant aspect is the absence of disciplinary measures for resignation or termination of employment, indicating a commitment to respecting workers' decisions regarding their employment status. This is further reinforced by workers' confirmation that there is no evidence of debt bondage or withholding of wages, underscoring the fair and ethical treatment of workers in this regard.
	6.6.2 (C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.	Yes	The CU has established the Labour Policy for Foreign Workers. The policy mentioned that all foreign employees should be treated fairly in terms of recruitment, terms and conditions of work, provide decent living, no contract substitution and a post arrival program will be conducted once arrive for three months. The CU maintained its specific procedure / flowchart for employment of foreign workers. The procedure has been implemented for any employment related to foreign workers. The company implemented no contract substitution and no discrimination against the foreign workers. Besides, the company also comply with Minimum Wage Order Malaysia and provided orientation to the workers to brief them on the language, safety, regulations in Malaysia and culture. Decent housing was provided to the foreign workers.
6.7 The unit of certification ensures that the working environment under its	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	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 downline implementation of ESH practices in the estates. All identified Executives were officially given a letter for such an appointment.

Clause	Indicators	Comply Yes/No	Findings
control is safe and without undue risk to health.	parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.		At J2 POM and Kapis Estate the letter of appointment for the Manager, sighted. The manager then appointed his team i.e. for year 2024 the Assistant Chairman (Mill Assistant), Secretary (Mill Assistant) and 6 Management and 6 Workers representative. The estate and the mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. Minutes of meetings held by the mill and estates were verified. At the meetings workers participated in the discussion mainly on housing and safety. All units adopted the agenda as provided by Sustainability/Agronomy Dept. This agenda list was sighted and adequate to discuss salient issues relating to safety, environmental and health. The agenda as discussed during the meeting among others includes, • Pengesahan minit mesyuarat lepas • Mengulas isu berbangkit • Laporan HA • Laporan pemeriksaan kerja, ERP, PPE, fire extinguisher, 1st aid boxes updated • Training report • Laporan kewangan • Lain-lain hal • Pengumpulan Maklumat
	6.7.2 Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.	Yes	Procedures for accidents and emergencies have been established. There is formation of ERP Team & ERP for all the identified incidents. 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. 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.
	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	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 and 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

Clause	Indicators	Comply Yes/No	Findings
	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.		estates and mill the PPE types for the various activities has been identified and implemented.
	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	All workers of both the Estate and Mill in the Jeroco 2 CU were provided with medical care and covered by accident insurance. The insurance coverage for both local and foreign workers was covered by SOCSO. 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. This is summarized officially in the JKKP 8. Records are kept for a minimum of 10 years in the office. Summary for the year is described in the JKKP 8 as a mandatory requirement for submission to DOSH by Jan of the subsequent year. Cases if any are reviewed during safety meetings. All accident cases above were investigated, and the result of the investigation has been reviewed during OHS Meetings.

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 techniques.	7.1.1 (C) IPM plans are implemented and monitored to ensure effective pest control.	Yes	The IPM Plan for the estate has been established and documented in OPAP Chapter 10 - Pest and Diseases revised on January 2024 related to Establishment and maintenance of Legume Covers. Potential pests, thresholds for each pest that require 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). Pest management includes the management of rats, bagworms, nettle caterpillars, rhinoceros beetles and Ganoderma. For bagworm control, the program includes the planting of beneficial plants such as *Cassia cobanensis, Antigonan leptopus and Turnera subulata* and for Rhinoceros beetles by using pheromone traps. The Main pest in the estate was 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 crops by rats is above threshold level 2 %. Baiting was carried out until the acceptance level dropped to <1%. The latest round of Rat baiting was carried out in July 2024 where the maximum bait placement required was for 4 rounds and minimum was 2 rounds.

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td>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.</td><td>Yes</td><td>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. The Sustainable team is responsible for ensuring that no invasive species spread in the estate.</td></tr>
<tr><td></td><td>7.1.3 There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with prior approval of government authorities.</td><td>Yes</td><td>The SOP for pest control is stipulated in OPAP 10 titled Pests and Diseases Management. Fire is not used in any circumstances. The Zero Burning Policy is clearly stated on the Sustainable Agriculture Policy dated 15 August 2019. There was no evidence to show that fire had been used for pest. This was confirmed during the interviews with workers and staff. Furthermore, there had been no serious pest attack that warrant the use of fire to control.</td></tr>
<tr><td>7.2
Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</td><td>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.</td><td>Yes</td><td>Justification of the use of pesticides had been documented. The use of selective products that are specific to the targeted pest, weed or disease had been defined in
a) Estates HSPHB’s Oil Palm Agricultural Policy (OPAP) Manual,
b) Safe & Standard Operating Procedure / Accounting/Administrative Procedure (AAP) manual.
c) OPAP 10 titled Pests and Diseases Management.

The Manual 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 in July 2024. The chemical used in the estates among others as listed below;

<table>
<tr><th></th><th>Chemical name</th><th>Class</th><th></th><th>Chemical name</th><th>Class</th></tr>
<tr><td>1</td><td>Indaziflan</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>
</table>
</td></tr>
<tr><td></td><td>7.2.2 (C) Records of pesticides use (including active ingredients used and their LD50, area</td><td>Yes</td><td>The estate continued to maintain 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.
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</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
	treated, amount of active ingredients applied per ha and number of applications) are provided.		and verified. b) All pesticides used were those officially registered under the Pesticide Act 1974. The CU had used only class lll & class IV pesticides. c) No illegal agrochemicals (stated by local and international laws) in particular paraquat were used in their estate. Variation of chemical usage is attributed to sizes of immature areas, rainfall pattern and the regeneration growth of weeds in different type of soil series. Explanatory notes for the usage variation were provided in the assessment.
	7.2.3 (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.	Yes	Kapis Estate continued to minimise the usage of agrochemicals by implementing IPM. Blanket spraying was not practiced by this CU and soft grasses and Nephrolepis are 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). Weeds, Circle and Paths are sprayed only when necessary and as per program. As part of the IPM plans, management of all estates had established nectariferous beneficial plants (*Cassia cobanensis, Antigonan leptopus and Turnera sublata)* nurseries for continuous planting in order to attract natural predators and thus to reduce use of insecticides. During the visit it was observed that a number of beneficial plants had been planted and had plants ready for planting in the nursery.
	7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.	Yes	Kapis Estate does not practice the prophylactic use of pesticides. The was no evidence to show otherwise and this was confirmed by workers and staff during the interviews
	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.	Yes	The estate continued to use only pesticides which are officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A) and in accordance with USECHH Regulations 2000.

Clause	Indicators	Comply Yes/No	Findings
	The due diligence refers to:		
	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. Though Kapis Estate has 300 liters of class 1A chemical, Methamidophos (Enforce), rrecords verified of pesticides issued/used revealed that this chemical had not been used since 2013. This was also confirmed with workers and staff. 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	As above. Hence, the need to check for other alternatives does not apply on the Jeroco 2 CU.
	7.2.5c Which process was applied to verify why there is no other less hazardous alternative.	Yes	
	7.2.5d What is the process to limit the negative impacts of the application.	Yes	
	7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.	Yes	
	7.2.6 (C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers. Personnel applying	Yes	Jeroco 2 CU had rrecords showing that pesticides were handled, used and applied by trained persons and as per the SDS of the pesticide. The staffs 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 used in a safe manner.

Clause	Indicators	Comply Yes/No	Findings
	pesticides must show evidence of regular updates on the knowledge about the activity they carry out.		
	7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices.	Yes	In Jeroco 2 CU, all pesticides were stored in accordance with the legal requirement, in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations as well as recommendation by manufacturer as per applicable MSDS. The chemical and fertiliser stores (with cemented floors and roofing) are locked & handled only by authorised personnel i.e. storekeeper. The stores in the estates were ventilated (equipped with exhaust fans). All the chemicals were arranged/segregated according to the type. The fertilizers were well stacked. The stores are equipped with showers, a wash area and a PPE storage area. Adequate Safety Signage have been placed at both internal and external of the building. A proper premixing area with eye wash facilities and bathing area is available at the estates. The wastewater from the washing of empty chemical containers and PPE, and chemical mixing was pumped to a storage tank for reuse in chemical mixing. This is to avoid any contamination of chemicals to the ground. Triple rinsing activities were continually implemented for empty pesticide containers. The activities were carried out at a concrete pond of 3 levels. Empty pesticide containers observed were punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. All information regarding the chemicals and its usage, hazards, trade and generic names were available in both English & in most cases, Bahasa Malaysia and understood by workers. The SDS for concerned pesticides used, were available in both English and in most cases, Bahasa Malaysia.
	7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.	Yes	The documentation and identification of all waste products such as scheduled wastes, domestic wastes, clinical wastes, recyclable wastes such as metal, tins, plastics, bottles, mill wastes and polluting material e.g. EFB and POME. Scheduled wastes identified included used batteries (SW102), hydraulic oil (SW305), spent lubricant oil (SW306), used chemical containers/drums (SW409), fertilizers bag (SW410), chemical wastes (SW429) and laboratory wastes (SW430). Scheduled wastes were stored at centralized scheduled waste store in dedicated areas “SW store”. Disposal of empty pesticide containers was carried out as per established procedures. Proper storage areas were identified for the storage of the recycle waste at the estates and mill. Empty pesticides containers were triple rinsed, holes punched and stored separately in the SW store. Thereafter disposal arrangements will follow accordingly as per the established procedure. Presently all SW are dispatched to the licensed buyer. No containers being used for other purposes in the estates with the exception that some empty chemical containers were recycled for premixing pesticides for onward delivery to the field.
	7.2.9 (C) Aerial spraying of pesticides is prohibited, unless in exceptional	Yes	Aerial spraying of pesticides is not a practice in Jeroco 2 CU. There was no evidence to show that such a method being used in the Kapis Estate. This was also supported through interviews with executives, field staffs and workers. No such activities were witnessed during the site/field visit.

Clause	Indicators	Comply Yes/No	Findings
	circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.		
	7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.	Yes	Specific annual medical surveillance for pesticide operators was documented action to treat related health conditions was demonstrated. Results from the assessment indicated that all of the employees were physically fit to handle chemicals.
	7.2.11 (C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.	Yes	Kapis Estate 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 estates 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	Kapis Estate & J2POM had established and maintained Waste Management Plan with latest updated in July 2024. Among the sources of waste been identified were Solid waste including domestic and Scheduled waste, liquid waste including POME. Among the action be taken proper scheduled waste management, installation of septic tank and domestic waste weekly collected and disposed at landfill area.
	7.3.2 Proper disposal of waste material, according	Yes	Proper disposal of waste material such as domestic waste and schedule waste, according to procedures Safe & standard operating procedure (scheduled waste) & SOP land fill area, has been disposed through DOE contractor and land fill areas. Domestic waste has been disposed at designated area such as: J2POM & Kapis Estate landfill

Clause	Indicators	Comply Yes/No	Findings
	to procedures that are fully understood by workers and managers, is demonstrated.		area (block 1701). Jeroco POM 2 maintained scheduled waste management procedure. Records of scheduled waste been updated by Jeroco POM 2 with all the copies been distributed and maintained by JPOM1. Inventory of scheduled wastes and disposal record (consignment notes) was maintained according to the SW regulation.
	7.3.3 The unit of certification does not use open fire for waste disposal.	Yes	During the site visit no evidence of open fire was used to burn all the waste. It was sighted all the domestic waste has been disposed of at designated areas located far from waterways and housing complexes.
7.4 Practices maintain soil fertility at, or where improve soil fertility to, a level that ensures optimal and sustained yield.	7.4.1 Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.	Yes	Kapis Estate adopted an established manuals and standard operating procedures for the day-to-day operations. 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. Therein elaborating details on the nursery, immature, mature palm manuring type of fertilizers. Application of fertilizer timing and placement were also described. Other information includes sub-soil manuring, fertilizer sampling, and stacking of fertilizer in estate store. 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.
	7.4.2 Periodic tissue and soil sampling is carried out to monitor and manage changes in soil fertility and plant health.	Yes	Kapis Estate continued to carry out annual foliar and soil analysis. The analysis was carried out by Hap Seng Plantations (River Estates) Sdn Bhd – Plantations Central Laboratory. These records were compiled and issued from the Agronomy Dept. Results of the foliar and soil analysis are taken into account by the agronomists for formulating Fertiliser Recommendation.
	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), Bunch Ash and Belt Press Solids (BPS) produced by the mill are applied in the field. Records of application are duly retained by the estate. EFB is applied at a rate of 35-70 mt/ha subject to Agronomist recommendations. Immature area at rate of 25 mt/ha. BPS is applied at dosage of 15 kg /palm.
	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 2022 and as at June 2023 in MT were in line with the program.

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td rowspan="3">7.5 Practices minimise and control erosion and degradation of soils.</td><td>7.5.1 (C) Maps identifying marginal and fragile soils, including steep terrain, are available.</td><td>Yes</td><td>Kapis Estate has a soil map and slope map prepared by Agronomy Department of Hap Seng Plantation Holdings Berhad detailing their soil profile including marginal and fragile soils.

Soil map:

<table>
<tr><th></th><th>Kapis Estate</th><th>Ha</th><th>%</th></tr>
<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>
</table>

Slope map:

<table>
<tr><th></th><th>topography</th><th>Ha</th><th></th><th>topography</th><th>Ha</th></tr>
<tr><td>1</td><td>0-5°</td><td>2373.83</td><td>4</td><td>16° - 25°</td><td>1.89</td></tr>
<tr><td>2</td><td>6°-10°</td><td>278.34</td><td>5</td><td>>25°</td><td>0.00</td></tr>
<tr><td>3</td><td>11°-15°</td><td>26.84</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td></td><td>Total</td><td>-</td><td>-</td><td>-</td><td>2681.00</td></tr>
</table>
</td></tr>
<tr><td>7.5.2 No replanting on steep slopes (above 25 degress) 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.</td><td>Yes</td><td>There is no replanting on steep terrains. This was verified during the field visits. However, 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 mucuna bracteata had been planted along some slopes by management. Large areas with neprolepis biserrata in the inter rows were sighted during the visit.</td></tr>
<tr><td>7.5.3 There is no new planting of oil palm on steep terrain.</td><td>Yes</td><td>There was no New Planting observed in Kapis Estate. This was as per HSPHB policy “Slope and River Protection” signed by the CEO dated Jan 2015 stating the following among others;
“Slope of >25 degree to be excluded from any new plantation development and replanting program. For slope <25 degree the existing crop all vegetative shall be maintained accordingly”.</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
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 are no new plantings as mentioned in indicator 7.5.3.
	7.6.2 Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in acc. with the soil management plan for best practices.	Yes	This is not applicable to Kapis Estate as there are no new plantings as mentioned in indicator 7.5.3
	7.6.3 Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.	Yes	This is not applicable to Kapis Estate as there are no new plantings as mentioned in indicator 7.5.3
7.7 No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.	7.7.1 (C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.	Yes	As per the soil map prepared by Agronomy Department of Hap Seng Plantation Holdings Berhad detailing their soil profile including marginal and fragile soils, there is no Peat Soil in Kapis Estate.
	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	Yes	As per the soil map prepared by Agronomy Department of Hap Seng Plantation Holdings Berhad detailing their soil profile including marginal and fragile soils, there is no Peat Soil in Kapis Estate.

Clause	Indicators	Comply Yes/No	Findings
	soils are provided, prepared and shared in line with RSPO Peat land Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).		
	7.7.3 (C) Subsidence of peat is monitored, documented and minimised.	Yes	As per the soil map prepared by Agronomy Department of Hap Seng Plantation Holdings Berhad detailing their soil profile including marginal and fragile soils, there is no Peat Soil in Kapis Estate.
	7.7.4 (C) A documented water and ground cover management programme is in place.	Yes	
	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 ii is replaced with crops suitable for a	Yes	

Clause	Indicators	Comply Yes/No	Findings
	higher water table (paludiculture) or rehabilitated with natural vegetation. This is subject to transitional (5 years: 2019 to 2025) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial implementation period, company could submit other alternate meth. 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	As per the soil map prepared by Agronomy Department of Hap Seng Plantation Holdings Berhad detailing their soil profile including marginal and fragile soils, there is no Peat Soil in 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	Yes	

Clause	Indicators	Comply Yes/No	Findings
	'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2018) and associated audit guidance.		
7.8 Practices maintain the quality and availability of surface and groundwater.	7.8.1 A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:	Yes	The water management plan is confined to only Jeroco Group of Estates & J2POM 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 these aspects are included with monitoring, mitigation (if required), implementation and prevention or minimize pollution of these plans. The Water Management Plan was periodically reviewed by Sustainability Executive of HSPHB; the latest being in July 2024.
	7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.	Yes	The continued availability of water sources and to avoid negative impacts on other users in the catchment has been conducted by Plantation Central Laboratory in July 2024 (POM) and Environmental Compliance Report (ECR) assessor from 3rd party consultant in Feb 2024. Based on the result, water quality monitoring is generally within Class IIB of NWQS at all monitoring points.
	7.8.1b Workers have adequate access to clean water.	Yes	The organization did not restrict access to clean water. Found that the organization had conducted verification on the treated water quality, and it has been confirmed as free from e-coli.
	7.8.2 (C) Water courses and wetlands are protected, incl. 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	Visits at all the riparian zones were maintained and natural grasses were left along the riparian zone. Al palms within the buffer zones area were demarcated with red and white painting for guidance to chemical operator from encroach the riparian areas.

Clause	Indicators	Comply Yes/No	Findings
	7.8.3 Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially BOD, is regularly monitored.	Yes	Treated effluent is allowed to be discharged as land irrigation, with a valid license. Analysis of the final discharge was carried out monthly. Review of the results indicated that all parameters were within the regulatory limit.
	7.8.4 Mill water use per tonne of FFB is monitored and recorded.	Yes	Process water is obtained from water catchments near to the mill. The water usage per tonne of fresh fruit bunches (FFB) continued to be monitored on a monthly basis.
7.9 Efficiency of fossil fuel use and the use of renewable energy is optimised.	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	Efficiency of fossil fuel has been monitored by daily basis and reported by monthly basis in file 5 years diesel consumption.

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td>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.</td><td>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.</td><td>Yes</td><td>. The input data was verified, and the following were determined:

<table>
<tr><td>Description</td><td>tCO_2e/tProduct</td></tr>
<tr><td>CPO</td><td>1.33</td></tr>
<tr><td>PK</td><td>1.33</td></tr>
</table>

<table>
<tr><td>Land Use</td><td>Ha</td></tr>
<tr><td>OP Planted Area on mineral soil</td><td>7245.21</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>
</table>

Milling extraction rate:
<table>
<tr><td>OER</td><td>19.26</td></tr>
<tr><td>KER</td><td>5.77</td></tr>
</table>

Mill Emission
<table>
<tr><td colspan="3">Own Crop</td></tr>
<tr><td>Emission source</td><td>tCO2</td><td>tCO2e/tFFB</td></tr>
<tr><td>POME</td><td>9561.80</td><td>0.19</td></tr>
<tr><td>Fuel consumption</td><td>152.27</td><td>0.00</td></tr>
<tr><td>Grid electricity utilisation</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Credits</td><td></td><td></td></tr>
<tr><td>Export of excess electricity to housing & grid</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Sale of PKS</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Sale of EFB</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Total</td><td>9714.07</td><td>0.20</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td></td><td></td><td>
Plantation / field emission
<table>
<tr><td colspan="4">Own Crop</td></tr>
<tr><td>Emission sources</td><td>tCO2e</td><td>tCO2e/ha</td><td>tCO2e/FFB</td></tr>
<tr><td>Land Conversion</td><td>1220.03</td><td>0.17</td><td>0.23</td></tr>
<tr><td>*CO2 Emissions from Fertiliser</td><td>97.91</td><td>0.01</td><td>0.02</td></tr>
<tr><td>**N2O Emissions from Fertiliser</td><td>153.41</td><td>0.02</td><td>0.03</td></tr>
<tr><td>Fuel Consumption</td><td>104.71</td><td>0.01</td><td>0.02</td></tr>
<tr><td>Peat Oxidation</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Sinks</td><td></td><td></td><td></td></tr>
<tr><td>Crop Sequestration</td><td>-1947.23</td><td>-0.27</td><td>-0.37</td></tr>
<tr><td>Conservation Sequestration</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Total</td><td>-371.18</td><td>-0.05</td><td>-0.07</td></tr>
</table>
Palm Oil Mill Effluent (POME) Treatment
<table>
<tr><td>Diverted to compost</td><td>0%</td></tr>
<tr><td>Diverted to anaerobic digestion</td><td>100%</td></tr>
</table>
Diverted to Anaerobic Digestion
<table>
<tr><td>Diverted to anaerobic pond</td><td>93%</td></tr>
<tr><td>Diverted to methane capture (flaring)</td><td>7%</td></tr>
<tr><td>Diverted to methane capture (electricity generation)</td><td>0%</td></tr>
</table>
</td></tr>
<tr><td></td><td>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 Procedure for New Development).</td><td>Yes</td><td>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 CU. Hence, RSPO GHG Assessment Procedure for New Development was not applicable.</td></tr>
</table>

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td>7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</td><td>Yes</td><td>Other significant pollutants has been identified in document “waste management plan” reviewed in July 2024 for J2POM & Jeroco group of Estates. Among of waste or pollutants were identified as per below:
<table>
<tr><td>Gaseous waste</td><td>• Identified by industrial process such as: farm tractors, gen set, diesel use, POME</td></tr>
<tr><td>Solid waste</td><td>• Domestic waste (bottle, food waste, tin, etc)
• Agriculture waste – fertilizer bags, chemical container, used PPE</td></tr>
<tr><td>Liquid waste</td><td>• Domestic – sewage
• Farm, fertilizer & chemical
• Workshop- used oil & lubricant
• Laboratory – chemical</td></tr>
<tr><td>GHG waste</td><td>• Fertilizer – CH4 N2O
• Diesel – CO
• EFB – CH4
• Gen set – CO, SoX, NoX</td></tr>
<tr><td colspan="2">Implementation has been taken such as:
• Established landfill area which is far from waterways
• Septic tank was provided for each household
• Disposed all the SW to DOE contractor
• Reused all the waste
• POME has been applied to land irrigation and Biogas plant.

Awareness or discussion on environmental issues with employees has been carried out in June 2024.</td></tr>
</table></td></tr>
<tr><td rowspan="3">7.11
Fire is not used for preparing land and is prevented in the managed area.</td><td>7.11.1 (C) Land for new planting or replanting is not prepared by burning.</td><td>Yes</td><td>There was no replanting observed at Jeroco Group of Estates for year 2023 and 2024.</td></tr>
<tr><td>7.11.2 The unit of certification establishes fire prevention and control measures for the areas under its direct management.</td><td>Yes</td><td>Fire prevention and control measures has been established in SOP “Pelan Tindakan Menghadapi Kebakaran & Kawalan Pencegahan Kebakaran”.</td></tr>
<tr><td>7.11.3 The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</td><td>Yes</td><td>Engagement with adjacent stakeholders (ketua kampung, Humana School, nearby estate) has been carried out at Kapis Estate for fire prevention and control measures.</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
7.12 Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.	7.12.1 (C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.	Yes	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 and other conservation areas are identified as follows:	Yes	Report on “High Conservation Value Area and Biodiversity Assessment Report” for Kapis Estate and Jeroco Palm Oil Mill 2 (JGOE 2) was available. 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. The review assessment was carried out in May 2017 and the latest review of 3rd report 16th July 2024 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.
	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	Yes	

Clause	Indicators	Comply Yes/No	Findings
	Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.		
	7.12.4 (C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).	Yes	Kapis estate has established HCV action plan for Sg Kretam Besar (Sg Simpang Kanan) river titled 'Potential HCV areas Management Action Plans'. The estate planned to maintain the riparian reserve by: • Prohibiting the cutting down of the tree at the area, • Prohibiting of manuring and spraying operation at the riparian reserve area • Workers are constantly informed not to encroach into the riparian reserve and disturb the area • Periodic visit to the riparian reserve to monitor any illegal activities The SOU established and reviewed the action plan and monitoring programme for HCVs area after consultation with relevant stakeholders. The appropriate measures that are expected to maintain and/or enhance them were implemented following the action plan. Records of consultation with relevant stakeholders regarding the developed HCV management plan, includes the directly managed area and any relevant wider landscape level considerations (where these are identified) were sufficient to identify the HCV Issue.
	7.12.5 Where rights of local communities have been identified in HCV	Yes	There were no local communities living nearby with Jeroco 2 CU. So, this indicator was not applicable with this CU.

Clause	Indicators	Comply Yes/No	Findings
	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.		
	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. Training for HCV and rare, threatened or endangered (RTE) species has been conducted to Jeroco 2 CU workers in Feb 2024.
	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 placed at a strategic area surrounding the estate to control everything including any illegal activities. The CCTV is in operation 24hours.

Clause	Indicators	Comply Yes/No	Findings
	peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.		Latest monitoring for HCV area, Sg. Kretam Besar (sg Simpang Kanan). river has been conducted by Kapis estate. The monitoring activities were recorded in the HCV & RTE Monthly Checklist January- June 2024.
	7.12.8 (C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.	Yes	Auditors has verified through checking through www.globalforestwatch.com, Google Maps, Estate Maps and also through site visit to all estates. Based on the audit findings, it was confirmed that no land clearing at Jeroco 2 CU since Nov 2005. Remediation and Compensation Procedure (RaCP) did not apply.

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

Clause	Indicators		Comply Yes/No	Findings
5.5.2 Time-bound plan 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.	(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 2025 (as in ACOP 2022) and approval from RSPO Secretariat date 22/09/2023 (sighted communication through email with head of certification of RSPO). Pelipikan, Northbank and Tabin Estate are currently undergoing Remediation and Compensation Procedure (RaCP). The timebound plan to achieve 100% RSPO proposed to be extended to 2025 after seeking advice from RSPO Compensation Section/Integrity Unit on 11/04/2022 since HSP still have 3 estates are undergoing compensation procedure dated 11/04/2022 to discuss on the Concept Note (Northbank Estate/Tabin Estate) and LUCA (Pelipikan Estate) A meeting was held at RSPO office with RSPO Compensation Manager Ms Khing Su Li to discuss 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 was no clearance of primary forest at Pelipikan Estate. However, there were land clearings 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 and concept note and latest replied on 07/05/2023.
	(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 changes to the current time bound plan to be extended to 2025 after seeking advice from the RSPO Compensation Section/Integrity Unit on 11/042022 also sighted submission on ACOP on date 15/05/2023.

	(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);	Yes	The details of the Time Bound Plan described as per attachment 6. HSP is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills. Details were provided in the Time Bound Plan described as per attachment/revision in the TBP.
	(d)	Where there are isolated lapses in implementation of a time-bound plan, a minor non- compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised.	Yes	The details of the Time Bound Plan described as per attachment 6. HSP is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills. Details were provided in the Time Bound Plan described as per attachment/revision in the TBP. As of this audit and Verification of documents and Timebound Plan there are no isolated lapses and fundamental failure to proceed with implementation of the plan in implementation of a time-bound plan
5.5.3 Requirements for uncertified management units:	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.12. Any new plantings since 1st 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). The timebound plan to achieve 100% RSPO proposed to be extended to 2025 after seek advice from RSPO Compensation Section/Integrity Unit on 11/04/2022. <u>Pelipikan Estate</u> Based on Retrospective HCV assessment made by certified HCV assessor (Green Harvest Sdn. Bhd.) there were no clearance of primary forest at Pelipikan Estate. However, there were land clearing made on

				May 2006, 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 07/05/2023
	(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 (3-4/08/2022) and Tabin Estate (1-2/08/2022) and for Pelipikan Estate on 1-3/03/2023: Assessment conduct by third parties was carried out through MSPO audit by Control union on date (07-14/10/2022)and Pelipikan (14-16/06/2023) <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 (3-4/08/2022) and Tabin Estate (1-2/08/2022) and for Pelipikan Estate on 1-3/03/2023: Assessment conduct by third parties was carried out through MSPO audit by Control union on date (07-14/10/2022)and Pelipikan (14-16/06/2023) <u>Northbank and Tabin Estate</u> JCC meeting with stakeholder which include local communities was conducted on 18/05/2023. The result of the meeting had no significant negative impact by the local community. <u>Pelipikan Estate</u> There were no labour dispute reported during JCC with stakeholder meeting conducted on 03/05/2023. Overall no negative impacts.
	(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	Yes	The latest internal assessment has been made to Northbank (1-2/8/22) and Tabin Estate (3-4/8/22) on and for Pelipikan Estate on 1-3/3/23, there was no issue on legal non-compliance for all uncertified unit.

	(e)	The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 5.5.3 (a) – (d) above by the audit team based on self-declarations only by the company,	Yes	Based on the latest internal assessment carried out in 2022 and 2023, 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. It was evident that in handling uncertified management unit has conducted the Joint Consultation Committee to address unresolved issues. Actions in progress. Further information can be obtained from https://document.rspo.org/2022/Hap_Seng_Plantations_Holdings_Bhd_ACOP2022.pdf. 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/2022/Hap_Seng_Plantations_Holdings_Bhd_ACOP2022.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.
		with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:		
		• 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	
		• Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team.	Yes	
		• Desktop study e.g. web check on relevant complaints	Yes	
		• 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	Yes	

		conclusion unless it is actively addressed. Evidence of active engagement with RSPO in resolving the non-compliance shall be available.		
	(g)	Failure to address any outstanding non-compliances within uncertified unit(s) as defined in 5.5.3 (f) above may lead to suspension of certificate of the certified unit(s), in accordance with the provisions of these Certification Systems.	Yes	It has been verified that Jeroco 2 CU owned the said lands as Country Lease land title (CL) from The Government of The State of Sabah. The land was not previously owned by any users and subject to customary rights of local communities and indigenous people. The Mechanism of verification is CB going through Interviewed with surrounding smallholder and government agencies, CB also keep track of the records in table 1.4 Stakeholder Consultation above. During this audit, it was confirmed through interviewing relevant stakeholder such as the Kg Tidung, small grower Spark Glory Sdn Bhd, Lebijaya, Harus Abadi Sdn Bhd and IOI Plantations. There was no land encumbered by customary rights or dispute from any stakeholder at the Jeroco 2 CU

5.6.6 The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements. The CB shall have a mechanism in place to identify the interested parties and ensure samples represented by the size of the interested parties are consulted in each audit. The CB shall keep track of which party that has been interviewed in the previous audits to ensure proper coverage of the parties throughout the certification cycle.		No additional indicators	Yes	Evidence of legal ownership of the land including the history of land tenure was verified during this audit. For Kapis Estate the land was previously owned by Sabah Land Development and Jeroco Plantations Sdn Bhd has buy and develop the land in 01/01/1980. 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 stakeholders 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

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
6.1.5 DA 01 2024	Major	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. Finding: The gender committee was not comprehensive enough to raise awareness, identify and address issues of concern, and create opportunities and improvements for women. Objective evidence: The formation of the gender committee in the CU has been inconsistent, leading to gaps in both its structure and effectiveness. Interviews with female workers and committee members revealed that the committee members are only able to explain subjects related to sexual harassment and sports activities. This limited scope of understanding highlights a significant gap in the committee's ability to tackle a broader range of gender-related concerns. There are currently no established measures for raising awareness, identifying, or addressing other issues affecting women, as well as for creating opportunities and improvements for them.	Root cause: Certification Unit is lack of guideline and awareness regarding to raise awareness, identify and address issues of concern, and create opportunities and improvements for women due to the are no specific guidelines for Gender Committee establish by the CU Correction: The Certification Unit has established specific guidelines for Gender Committee to enhance their knowledge and understanding regarding to raise awareness, identify and address issues of concern, and create opportunities and improvements for women. Corrective action: The Sustainability Team will cross-check the implementation on the Guidelines for Gender Committee in the Certification Unit by yearly basis on the understanding of gender to raise awareness, identify and address issues of concern, and create opportunities and improvements for women.	Auditor has verified the root cause and found the root cause is accepted. Auditor also has verified the evidence of the establishment of Guidelines for Implementation Women Gender Committee and found the evidence enough to close this NCR. **Status: Closed**

ATTACHMENT 5

STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED

<table>
<tr><th>P & C Indicator</th><th>Specification Major/Minor</th><th>Detail Non-conformances</th><th>Verification by Assessor</th></tr>
<tr><td>3.4.2
RZ 01 2023</td><td>Minor</td><td>.
Finding: The Social Impact Assessment, Management Action Plans and Continuous Improvement Plans for Jeroco Group of Estates and Jeroco Palm Oil Mills 1 & 2, reviewed on 10/07/2023 have not been developed with participation of affected Indonesian workers whose dependents remain to be legalized.

Objective evidence: Affected Indonesian workers Jeroco 2 Palm Oil Mill have not been developed with participation of Indonesian workers whose dependents have not and/or could not be legalised. This has resulted in the CU not being able to identify as a social impact, the worry and concern and the affected workers have on the subject of dependants’ immigration status.</td><td>The social impact assessment and action plan concerning the legal status of dependents were conducted within the CU. The assessment identified necessary steps and timelines to ensure that dependents' legal status is regularized. The action plan outlines a comprehensive approach to address any issues and ensure compliance with legal requirements. The target date for completing the legalization process is set for 2025, allowing adequate time for necessary documentation and procedural steps. Consequently, the previous Minor NCR has been adequately addressed.

Status: Closed</td></tr>
<tr><td>6.2.3

RZ 02 2023</td><td>Major</td><td>Finding: Overtime was not paid to two (2) creche workers at Kapis Estate who worked more than 8 hours per day.

Objective evidence: Two creche workers at Kapis Estate would daily arrive at the creche before the arrival of the first child, to open the creche gate and door, turn on the lights and get the creche ready for the day. The workers would also leave the creche at the end of the working day after the departure of the last child, so as to tidy up the creche, mop up the floor and ensure its general cleanliness. The following are the records of the children’s daily arrival and departure:
<table>
<tr><th>Date (2023)</th><th>Arrival of 1st child</th><th>Departure of last child</th><th>Total hours at creche</th></tr>
<tr><td>13 July</td><td>0500 hrs</td><td>1409 hrs</td><td>>9 hours</td></tr>
<tr><td>12 July</td><td>0501 hrs</td><td>1409 hrs</td><td>>9 hours</td></tr>
</table></td><td>Based on interviews with Creche Workers and payment and condition for April 2024, May 2024, June 2024, it was confirmed that the overtime system was not implemented at the creche because operations close at 2 PM. To address the need for additional working hours and ensure continuous coverage, the estate management implemented a shift system. This shift system ensures that the creche remains adequately staffed throughout its operating hours. Under this system, two workers are scheduled in staggered shifts: one worker from 5 AM to 1 PM and another worker from 6 AM to 2 PM. This approach not only eliminates the need for overtime but also provides a more balanced work schedule for the employees, promoting better work-life balance and reducing fatigue. Additionally, this shift system ensures that the children in the creche receive consistent and attentive care throughout the day. The estate management regularly reviews this system to ensure its effectiveness and to make any necessary adjustments based on feedback from the creche workers and the needs of the operation. As a result, previous Major NCR was satisfactory closed.

Status: Closed</td></tr>
</table>

<table>
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<td></td>
<td>
<table>
<tr><td>11 July</td><td>0459 hrs</td><td>1414 hrs</td><td>>9 hours</td></tr>
<tr><td>14 June</td><td>0504 hrs</td><td>1349 hrs</td><td>>8 hours</td></tr>
<tr><td>16 June</td><td>0503 hrs</td><td>1356 hrs</td><td>>8 hours</td></tr>
<tr><td>22 June</td><td>0500 hrs</td><td>1350 hrs</td><td>>8 hours</td></tr>
<tr><td>26 June</td><td>0504 hrs</td><td>1349 hrs</td><td>>8 hours</td></tr>
<tr><td>27 June</td><td>0501 hrs</td><td>1356 hrs</td><td>>8 hours</td></tr>
</table>
Despite working more than 8 hours, and upon reviewing their respective pay slips for June and July 2023, no evidence was available that overtime was paid to the creche workers for June and July
</td>
<td></td>
</tr>
<tr>
<td>3.8.11

RAR 01 2023</td>
<td>Major</td>
<td>Finding: The mill does not inform the CB in advance prior to conducting its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.

Objective evidence:
1 outsource transporter for CPO sea transportation has been used by J2POM. The outsource transporter started handling physical products (CPO) in the month of May 2022. However, the names and contact details of the contractor not been provided to the CB.</td>
<td>Auditor has verified that transportation and storage of certified finished products are handled using budge system. And new barge contractor has been Notify by JPOM 2 to CB prior to conduct of audit on 6/5/24 Thus past Major RAR 01 2024 was successfully closed.

Status: Closed</td>
</tr>
</table>

ATTACHMENT 6 – Timebound Plan

HAP SENG PLANTATIONS HOLDINGS BERHAD TIME BOUND PLAN ON RSPO CERTIFICATION

Name of the Unit of Certification (UoC)	Country	Name of the Mills and Supply Bases	Location Address	GPS Coordinates (in decimal degree)		Total Managed Area (Ha)	Certification Status (Certified / Not certified)	Plan Year for Certification
				Latitude	Longitude			
Hap Seng Plantations (River Estates) Sdn Bhd – Sg Segama Group of Estate	*Malaysia*	*Bukit Mas Palm Oil Mill*		*5°20'14.2 81"N*	*118°28'25.104"E*	*N/A*	*Certified*	-
Bukit Mas Palm Oil Mill	*Malaysia*	*Sungai Segama Estate*	*Locked Bag No.05, 91109 Lahad Datu, Sabah*	*5°19'02.4 21"N*	*118°27'47.331"E*	*5,174.00*	*Certified*	-
		Bukit Mas Estate		*5°19'01.9 28"N*	*118°27'46.294"E*	*4,733.00*		
		Kawa Estate		*4°21' 52.222"N*	*118° 2' 18.679"E*	*1,276.19*		
Jeroco Plantation Sdn Bhd *Jeroco Palm Oil Mill 1*	*Malaysia*	*Jeroco Palm Oil Mill 1*		*5°25'52.002"N*	*118°25'02.005"E*	*N/A*	*Certified*	-
		Lokan Estate	*Locked Bag No.05, 91109 Lahad Datu Sabah*	*5°25' 51.800" N*	*118°22'57.804"E*	*3,155.39*		
		Lutong Estate		*5°21' 55.601" N*	*118°26'26.201"E*	*2,448.40*		
		Lungmanis Estate		*5°28' 46.304" N*	*118°24'11.301 E*	*2,200.00*		
		Batangan Estate		*5°24' 43.704" N*	*118°26'59.803"E*	*3,632.88*		
Jeroco Plantation Sdn Bhd *Jeroco Palm Oil Mill 2*	*Malaysia*	*Jeroco Palm Oil Mill 2*	*Locked Bag No.05, 91109 Lahad Datu Sabah*	*5°25' 52.002" N*	*118°25'02.005"E*	*N/A*	*Certified*	-
		Kapis Estate		*5°26' 34.303" N*	*118°24'51.001"E*	*2,681.00*		

Hap Seng Plantations (River Estates) Sdn Bhd – Tomanggong Group of Estates	*Malaysia*	*Tomanggong Palm Oil Mill*	*Locked Bag No.05, 91109 Lahad Datu Sabah*	*5°25' 38.3" N*	*118°39' 33.5" E*	*N/A*	*Certified*	-
		Tomanggong Estate		*5°24' 01.9" N*	*11 8°39' 51.7" E*	*2,654.80*		
		Litang Estate		*5°19' 31.6" N*	*118°34' 28.3"E*	*2,648.62*		
		Tagas Estate		*5°21' 47.3" N*	*118°38' 14.2"E*	*2,212.33*		
Pelipikan Estate	*Malaysia*	*Pelipikan Estate*	*Locked Bag No.30, 89109, Kota Marudu, Sabah*	*6°21'37.600"N*	*116°48'04.900"E*	*2,091.61*	*Not Certified*	2025
Hap Seng Plantations Tomanggong Group of Estates	*Malaysia*	*Tabin Estate*	*Kinabatangan District*	*5°22'47.204"N*	*118°42'16.700"E*	*2,235.30*	*Not Certified*	2025
		Northbank Estate		*5°26'06.605"N*	*118°39'16.700"E*	*2,578.91*	*Not Certified*	2025

Note:

1. It has been confirmed during the audit that Shalimar Estate and Batang Berjuntai, which is 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 the subsidiaries of Hap Seng Consolidated Bhd. (Hap Seng Consolidated.)
2. As of now, neither Hap Seng Consolidated nor HS Properties are registered as RSPO members.
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 holds 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.