| | | |
|---|---|---|
| | **SIRIM QAS INTERNATIONAL SDN. BHD.**<br>Building 4, SIRIM Complex, No. 1 ,Persiaran Dato' Menteri, Section 2, 40700 Shah Alam, Selangor, Malaysia. | **File Ref. : EL26130001** |
| | **RSPO PUBLIC SUMMARY REPORT** | |

**CLIENT : LEBIJAYA SDN. BHD.**

**PARENT COMPANY : LEBIJAYA SDN. BHD.**

**RSPO MEMBERSHIP No. : 1-0297-20-000-00**

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

| Certification Unit | GPS Location | | Location |
|---|---|---|---|
| | Latitude | Longitude | |
| LEBIJAYA SDN BHD | 5° 21' 38" N | 118° 31' 1" E | CL 095332228, Litang, Kinabatangan Sabah, Malaysia |

**MAP :** See Attachment 1

**AUDIT DATE : 19-22 December 2023** **DURATION : 9 auditor days**

**TYPE OF AUDIT :** ■ **Annual Surveillance Audit No. 1** ☐ **Recertification Audit**

**STANDARD :** MYNI 2019 FOR RSPO PRINCIPLE & CRITERIA 2018

**SCOPE OF CERTIFICATION : Production of Sustainable Fresh Fruit Bunches Chain Model**

**VALIDITY OF RSPO CERTIFICATE : 17/02/2023 – 16/02/2028**

**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 | : **ROZAIMEE BIN AB RAHMAN** | Name | : CHANG KING SOON |
| Signature | : | Signature | : |
| Date | : **22/3/2024** | Date | : 02-04-2024 |

## SUMMARY OF AUDITS

| Stage 2 audit | | | | | |
|---|---|---|---|---|---|
| On-site audit date | : | 15 – 17 August 2022 | | No. of auditor days : | 9 auditor days |
| Audit team | : | Mohd Zulfakar Kamaruzaman (LA), Mohd Ab Raouf Asis, Dzulfiqar Azmi | | | |
| No. of major NCR | : | 3 | Indicator: 3.4.3, 7.12.2, 7.12.4 | | Closing date: 23/12/2022 |
| No. of minor NCR | : | 1 | Indicator: 6.7.5 | | |
| Indicate the stakeholders interviewed during the on-site audit | : | Employees / Workers organizations | Settlers | Villagers / Local communities | Suppliers |
| | | √ | - | √ | - |
| | | Contract workers | Local & National NGOs | Govt. agency / Statutory bodies | Independent growers / Smallholders |
| | | - | √ | √ | √ |
| | | Indigenous people | Contractor | Others (Please specify) | |
| | | - | - | | |
| Supply base sampled | : | Own plantation – Lebijaya | | | |
| Justification of audit planning | : | During stage 2 audit, the audit team visited the estate, linesite, chemical stores, schedule waste store, and other surrounding facilities such as waste collection area. In addition to the above, interviews were held with the management, employees and other relevant internal and external stakeholders. | | | |
| Name of peer reviewer | : | Harso Yuli Antena | | | |
| Report approved by | : | Kamini A/P M.Sooriamoorthy | | Approval date : | |

| Annual Surveillance Audit 1 | | | | | |
|---|---|---|---|---|---|
| On-site audit date | : | 19-22/12/2023 | | No. of auditor days : | 9 Days |
| Audit team | : | Rozaimee Ab Rahman, Mohd Zulfakar Kamaruzaman, Dzulfiqar Azmi | | | |
| No. of major NCR | : | 1 | Indicator: 3.6.1 | | Closing date : 11/03/2024 |
| No. of minor NCR | : | 1 | Indicator : 7.3.2 | | |
| Indicate by ticking the stakeholders interviewed during the on-site audit | : | Employees / Workers organizations | Settlers | Villagers / Local communities | Suppliers |
| | | √ | | √ | |
| | | Contract workers | Local & National NGOs | Govt. agency / Statutory bodies | Independent growers / Smallholders |
| | | | | √ | √ |
| | | Indigenous people | Contractor | Others (Please specify) | |
| | | | | | |
| Supply base sampled | : | Lebijaya Estate | | | |
| Changes since the last audit | : | New appointed Estate Manager | | | |
| Justification of audit planning | : | During surveillance audit, the audit team visited the estate, line site, chemical stores, schedule waste store, and other surrounding facilities such as waste collection area. In addition to the above, interviews were held with the management, employees and other relevant internal and external stakeholders. | | | |
| Name of peer reviewer | : | - | | | |
| Report approved by | : | Kamini Sooriamoorthy | | Approval date : 28/3/24 | |

## SUMMARY OF INFORMATION

### TABLE 1

| | STAGE 2 / RA | ASA 1 | ASA 2 | ASA 3 | ASA 4 |
|---|---|---|---|---|---|
| **Projection Period / Reporting Period*** | August 2022 – September 2023 | December 2023 - November 2024 | | | |
| **Certified FFB Processed (MT)** | 3,600.00 | 3500.00 | | | |
| **Production of Certified CPO (MT)** | 720.00 | 700.00 | | | |
| **Production of Certified PK (MT)** | 180.00 | 175.00 | | | |
| | | | | | |
| **Certified Areas (Ha)** | 250.00 | 250.00 | | | |
| **Planted Areas (Ha)** | 215.80 | 215.80 | | | |
| **Production Areas (Ha)** | 215.80 | 215.80 | | | |
| **HCV Areas / Conservation Areas (Ha)** | 0.00 | 0.00 | | | |
| **REMARKS** | | | | | |

**There shall be no gap in the projection period/reporting period.*

### TABLE 2

| | FFB |
|---|---|
| ****Last years certified volume (MT)** | 3,600 mt |
| **Last years actual certified sold (MT)** | 1684.05 mt |
| **Last years actual sold under other schemes (MT)** | - |
| **Last years sold conventional (MT)** | - |
| **Last year actual sold CSPO credits (where applicable)** | - |
| **New year certified volume (MT)** | 3,500 mt |

***Should there be extension volume applied, the total of certified volume + extension volume shall be reported in this column.*

## Table of contents


| | | Page |
|---|---|---|
| 1.0 | AUDIT PROCESS | |
| | 1.1 Certification body | 5 |
| | 1.2 Qualification of audit team | 5 |
| | 1.3 Audit methodology | 6 |
| | 1.4 Stakeholder consultation | 6 |
| | 1.5 Audit plan | 6 |
| | 1.6 Date of next audit | 6 |
| 2.0 | SCOPE OF CERTIFICATION AUDIT | |
| | 2.1 Description of the certification unit | 7 |
| | 2.2 Description of the Supply Base (including planting profile) | 9 |
| | 2.3 Organization Information / Contact Person(s) | 10 |
| 3.0 | AUDIT FINDINGS | |
| | 3.1 Changes to certified products in accordance to the production of the previous year | 11 |
| | 3.2 Progress and changes in time bound plan | 11 |
| | 3.3. Other changes (e.g. organizational structure, new contact person, addresses, etc.) | 11 |
| | 3.4 Status of previous non-conformities * (refer to Attachment 5) | 11 |
| | 3.5 Complaint received from stakeholder (if any) | 11 |
| 4.0 | DETAILS OF NON-CONFORMITY REPORT | |
| | 4.1 For P&C (refer to Attachment 3) | 11 |
| | 4.2 For SC (refer to Attachment 3 – Supply Chain Requirements for Mills) | |
| 5.0 | AUDIT CONCLUSION | 12 |
| 6.0 | RECOMMENDATION | 12 |

List of Attachment

| | | | |
|---|---|---|---|
| Attachment 1 | : | Map of CU | 13 |
| Attachment 2 | : | RSPO Audit Plan | 14 |
| Attachment 3 | | RSPO P&C Audit Checklist and Findings | 18 |
| Attachment 4 | : | Details of Non-conformities and Corrective Actions Taken | 90 |
| Attachment 5 | : | Status of Non-conformities Previously Identified | 92 |
| Attachment 6 | : | Time-bound Plan | 94 |
| Attachment 7 | : | List of Stakeholders (for Stage 2/Recertification Audit only) | Na |

## 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 |
|---|---|---|
| Rozaimee Ab Rahman | Lead Auditor<br>Safety & Environment, GHG, metric template | 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. |
| Mohd Zulfakar Kamaruzaman | Auditor<br>Social (External) GAP, & HCV | Holds a B.Sc. Forestry from UPM. He had 5 years of working experience in the oil palm operation. He had a certificate of Lead Assessor in ISO 9001, OHS 45001, ISO 4001 and qualified social Auditor under RSPO Training, He also attend DLW training in 2022 and worker welfare training in 2021 which is conducted by RSPO. He is a qualified RSPO P&C, RSPO Supply Chain and MSPO Lead Auditor. |
| Dzulfiqar Azmi | Auditor /<br>Social | 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 had a certificate of Integrated Management System consist of Lead Assessor in ISO 9001, OHS 45001, EMS ISO 4001 and has been trained in SA8000. He also attend DLW training in 2022 and worker welfare training in 2021 which is conducted by RSPO. He has experience in auditing since 2018. He is trained as an RSPO Lead Auditor. |

1.3 Audit methodology

This assessment is covering the Lebihjaya Sdn.Bhd. Estate. This is a single estate owned by an outgrower with a land size of 250 ha. The audit is an on-site audit of Lebijaya Estate and its line site to verify the implementation of the requirement of the certification.
Interviews with the CU's management, employees and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

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) | Based on interviews conducted with all 19 workers from IMM13, encompassing both male and female employees engaged in various work scopes.<br>a. Daily rated workers confirmed that they receive a minimum of RM1500 per month. For piece-rated workers, so long they have achieved their target, they too will get a minimum of RM 1500 per month. They receive their salaries before 7th of every month.<br>b. Workers work 6 days a week with one rest day (Sunday). They work 8 hours with a minimum of 30 minutes' break in between.<br>c. Any overtime work is mutually agreed between workers and management, and that there is no force element in the exercise.<br>d. The workers keep their own identify documents and will only return the documents to the office for renewal.<br>e. Workers are generally satisfied with the way complaints are lodged and acted upon. Delays in house repairs, if any, are usually due to the need to order the repair parts.<br>f. The workers get to appoint their own representatives. There is no interference or influence exerted by the employer.<br>g. Samples of payslips were also examined and verified to ensure that workers were being paid in accordance with the requirements stipulated under the Minimum Wages Order 2022 and the Sabah Labour Ordinance.<br>h. They confirmed there are no abuse at work, and no sexual harassment.<br>i. There is no discrimination between male and female workers.<br>j. Entitled to free medical facilities at the HSP clinic.<br>k. Comfortable housing with water and electricity provided.<br>l. Details on the employee interviews as per stated in Indicator 6.2.1 |
| 2) Settlers | Not applicable |

| | |
|---|---|
| 3) Villagers / Local communities (including women representatives, displaced communities) | Ketua Kampung Litang – no issues on land or encroachment. The CU has a good relationship with villagers. |
| 4) Suppliers | Not applicable |
| 5) Contract workers (local / foreign / Orang Asli workers / male & female) | Not applicable |
| 6) Local & national NGOs | Not applicable |
| 7) Government agencies / Statutory bodies | Interview with Officer from Labor Department Kinabtangan– discussion related to IMM13 employees who are legal to work in plantation. |
| 8) Independent growers / Smallholders | Nearby smallholder– no issues on land or encroachment. |
| 9) Indigenous people<br><br>**** If applicable, refer to AUDITORS' GUIDE IN REPORTING ORANG ASLI MATTERS at the end of the checklist (in Attachment 3 of this report) for more information about the indigenous people in this CU.*** | Not applicable |
| 10) Contractor | Not applicable |
| 11) Previous land owner (if any) | Not applicable |
| 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

Lebijaya Sdn Bhd (hereafter known as LSB) is a private company located in Kinabatangan District. LSB established on 9 November 1996. The plantation started the palm oil planting in the year of 2001.

LSB is located two ways about 70 km from Lahad Datu town and from Kampung Paris and it also can be assessed through both the government road and estate roads. All of the crops are sent to the Tomanggong POM and Jeroco 2 POM (which is owned by Hap Seng).

The estate is currently 100% oil palm planting, and the management is headed by a new Estate Manager. Within the CU of Lebihjaya, the land has been fully developed before the year of 2005. Hence, New Planting Requirements of the RSPO P&C standard is therefore not applicable.

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

Details of the FFB actual and projected contribution from each source to the mill are shown in the following tables.

**Table 1: Actual FFB production by the supply base for the last reporting period (17 February 2023 (Start certification – November 2023)**

| Estates | FFB Production | |
|---|---|---|
| | Tonnes | Percentage (%) |
| Lebijaya Estate | 1684.05 | 100 |
| **Total** | 1684.05 | 100 |

**Table 2: Projected FFB production by supply base for the next reporting period (December 2023- November 2024)**

| CU own estates | FFB Contribution | |
|---|---|---|
| | Tonnes | Percentage (%) |
| Lebijaya Estate | 3500.00 | 100 |
| **Grand Total** | 3500.00 | 100 |

**Table 3: Actual FFB received dispatch by the estate for the last reporting period. (17 February 2022 (start certification – November 2023)**

| | Total (MT) |
|---|---|
| FFB Received | 1684.05 |
| FFB Processed | 1684.05 |
| FFB delivered as Mass Balance / IP | 1684.05 |
| FFB delivered as non-RSPO certified | - |
| Product sold under Book & Claim | - |

**Notes : The actual table applied is different, depending on the type of Supply Chain Model. Refer to admin.*

**Table 4: Projected FFB produced dispatch by the Estate of the next reporting period (December 2023 -November 2024)**

| | Total (MT) |
|---|---|
| FFB Received | 3,500.00 |
| FFB Processed | 3,500.00 |
| FFB delivered as Mass Balance / IP | 3,500.00 |
| FFB delivered as non-RSPO certified | - |
| Product sold under Book & Claim | - |

**Notes : The actual table applied is different, depending on the type of Supply Chain Model. Refer to admin.*

**Table 5 Planted and certified area of the CU**

| Estate | Planted (ha) | Certified (ha) |
|---|---|---|
| lebiJaya Estate | 215.80 | 250 |
| **Total** | 215.80 | 250 |

**Table 6 Planting profile for Lebihjaya Estate**

| Block | Year of planting | Planting Cycle | Mature / immature | Planted area |
|---|---|---|---|---|
| 1 | 2001 | 1 | Mature | 31.88 |
| 2 | 2001 | 1 | Mature | 31.98 |
| 3 | 2001 | 1 | Mature | 35.65 |
| 4 | 2001 | 1 | Mature | 38.49 |
| 5 | 2001 | 1 | Mature | 40.18 |
| 6 | 2001 | 1 | Mature | 37.62 |
| | **Total** | | | **215.80** |

## 2.3 Organizational Information/Contact Person(s)

The details of the contact person are as below:

| | | |
|---|---|---|
| Name | : | Roseni Tan |
| Position | : | Managing Director |
| Address | : | Kg. Litang, Jeroco Kinabatangan |
| Phone no. | : | 0198159601 |
| Fax no. | : | - |
| Email | : | lebijaya@yahoo.com |

## 3.0 AUDIT FINDINGS

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

No changes to the certified products

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 :

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.)

New appointed Estate Manager Mr Darshan Roy Desmond

3.4 Status of previous non-conformities * ■ Closed ☐ Not closed*

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

3.5. Complaint received from stakeholder (if any)

NA

**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 :1- 7.3.2 (RAR 02 2023)

List :1- 3.6.1 (RAR 01 2023)

Total no. of major NCR(s)

4.2 For SC (Details checklist refer to Attachment 3) :

Total no. of minor NCR(s) List :

Total no. of major NCR(s) List :

**5.0 AUDIT CONCLUSION**

The audit team concludes that the organization has 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.

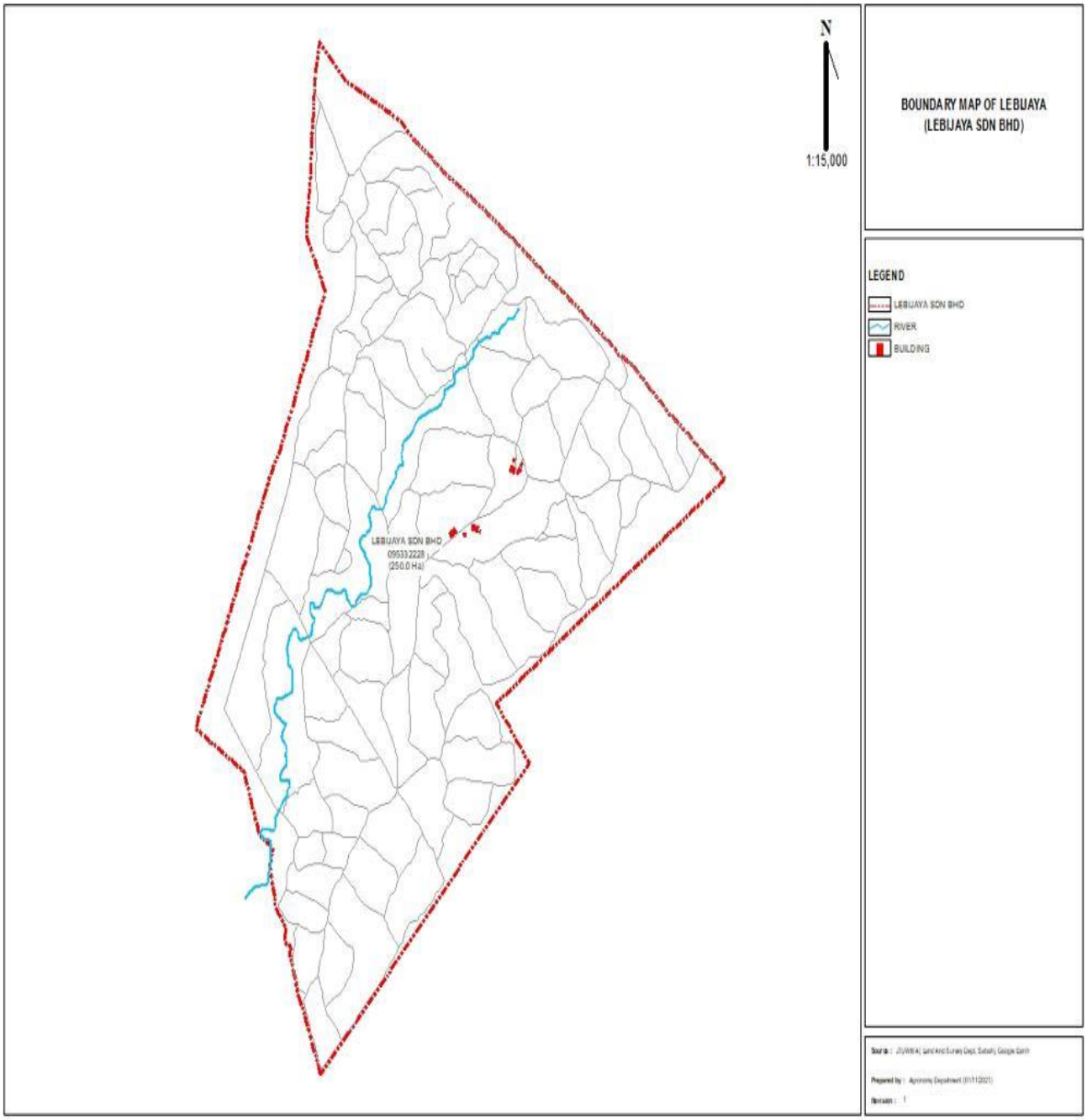
☐ Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)…… have not been satisfactorily closed out within 90 days of the audit. Recommended for suspension of the certificate.

*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 : | Rozaimee Ab Rahman |  | 11/03/2024 |
| | (Name) | (Signature) | (Date) |

**Attachment 1 - Map**



**Attachment 2 – Audit Plan**

# SURVEILLANCE 1 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** :19-22 December 2023

**3. Site of assessment** : Lebijaya Sdn Bhd

**4. Reference Standard :**

a. MYNI 2019 of RSPO P&C 2018 / ~~RSPO Independent Smallholder Standard, Nov 2019~~ / RSPO Management System Requirements and Guidance for Group Certification of FFB Production, March 2018 / MSPO 2530-3:2013
b. RSPO / MSPO Certification System Documents
c. Company's audit criteria including Company's Manual/Procedures

**5. Assessment Team**

Lead : Rozaimee Ab Rahman (RAR) – Lead RSPO
Auditor: -Dzulfiqar Azmi (DA) – Lead MSPO
-Mohd Zulfakar Kamaruzaman (MZK)

*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 andevaluation 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 matters arising 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. Assessment Programme Details** : As below

| Date / Time | Coverage of assessment / Activity / Site | RAR | DA | MZK |
|---|---|---|---|---|
| Day 1-<br>19/12/2023<br>8.30am –<br>9.00am | **<u>Opening meeting at Lebijaya Estate</u>**<br>Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes<br>**Organization Representative to brief on the following :**<br>• Briefing on **Lebijaya Estate** organization's background, operations, RSPO implementation & legal non compliances such as land / labour dispute - if any (Please provide maps that have details of surrounding stakeholders, terrain, soil profile and conservation/HCV area).<br>• Time bound plan for **Lebijaya.** (if Any)<br>Significant changes on organization activities, machinery, supply bases capacity etc. | / | / | / |
| 9.00am –<br>12.30pm | **Site observation to Lebijaya**<br>**P1, P2, P3, P4**,**P5, P6, P7**<br>• Verification of basic information estate/Metric templates<br>• Confirmation of time bound plan & review of partial certification<br>• Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone<br>• Occupational safety & health aspects , chemical management<br>• Interview with workers, contractors etc.<br>• Environmental management, waste & chemical management<br>• Social aspects -SIA, management plan & implementation, workers' quarters,<br>• Stakeholder consultation with affected communities surrounding the estate<br>• Interview with gender committee, safety committee, worker representative/Union, contractors, supplier, etc.<br>• Land titles user rights<br>• Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, Peat Management, Buffer Zones, BMP for Buffer Zones.<br>• GHG Calculation<br>• New planting | / | / | / |
| 12.30pm –<br>1.30pm | Lunch Break | / | / | / |

| | | | | |
|---|---|---|---|---|
| 1.30pm – 5.00pm | Continue assessment at respective sites | / | / | / |

| Date / Time | Coverage of assessment / Activity / Site | RAR | DA | MZK |
|---|---|---|---|---|
| Day 2 – 20/12/2023<br><br>8.30am – 12.30pm | **Site observation to Lebijaya**<br>**P1, P2, P3, P4**,**P5, P6, P7**<br>• Verification of basic information estate/Metric templates<br>• Confirmation of time bound plan & review of partial certification<br>• Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone<br>• Occupational safety & health aspects, chemical management<br>• Interview with workers, contractors etc.<br>• Environmental management, waste & chemical management<br>• Social aspects -SIA, management plan & implementation, workers' quarters,<br>• Stakeholder consultation with affected communities surrounding the estate<br>• Interview with gender committee, safety committee, worker representative/Union, contractors, supplier, etc.<br>• Land titles user rights<br>• Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, Peat Management, Buffer Zones, BMP for Buffer Zones.<br>• GHG Calculation<br>• New planting | / | / | / |
| 12.30pm – 1.30pm | Lunch Break | / | / | / |
| 1.30pm – 5.00pm | Continue assessment at respective site | / | / | / |

| Date / Time | Coverage of assessment / Activity / Site | RAR | DA | MZK |
|---|---|---|---|---|
| Day 3 – 21/12/2023<br>8.30am – 12.30pm | **Site observation to Lebijaya**<br>**P1, P2, P3, P4**, **P5, P6, P7**<br>• Verification of basic information estate/Metric templates<br>• Confirmation of time bound plan & review of partial certification<br>• Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone<br>• Occupational safety & health aspects , chemical management<br>• Interview with workers, contractors etc.<br>• Environmental management, waste & chemical management<br>• Social aspects -SIA, management plan & implementation, workers' quarters,<br>• Stakeholder consultation with affected communities surrounding the estate<br>• Interview with gender committee, safety committee, worker representative/Union, contractors, supplier, etc.<br>• Land titles user rights<br>• Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, Peat Management, Buffer Zones, BMP for Buffer Zones.<br>• GHG Calculation<br>• New planting | / | / | / |
| 12.30pm – 1.30 pm | Lunch Break | / | / | / |
| 1.30pm – 5.00pm | **Continue assessment at respective site** | / | / | / |

| Date / Time | Coverage of assessment / Activity / Site | RAR | DA | MZK |
|---|---|---|---|---|
| Day 4 – 22/12/2023 8.30am – 10.30am | **Site observation to Lebijaya**<br>**P1, P2, P3, P4**, **P5, P6, P7**<br>• Verification of basic information estate/Metric templates<br>• Confirmation of time bound plan & review of partial certification<br>• Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone<br>• Occupational safety & health aspects, chemical management<br>• Interview with workers, contractors etc.<br>• Environmental management, waste & chemical management<br>• Social aspects -SIA, management plan & implementation, workers' quarters,<br>• Stakeholder consultation with affected communities surrounding the estate<br>• Interview with gender committee, safety committee, worker representative/Union, contractors, supplier, etc.<br>• Land titles user rights<br>• Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, Peat Management, Buffer Zones, BMP for Buffer Zones.<br>• GHG Calculation<br>• New planting | / | / | / |
| 10.30am – 11.00am | Audit Team Discussion | / | / | / |
| 11.00am – 12.00pm | **Closing meeting at chosen site by Management** | / | / | / |

**Attachment 3**

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

***AUDITORS' GUIDE: THE TRIANGULATION CONCEPT***
*In elaborating evidence in "Findings", Auditor is reminded to apply the Triangulation Concept where, evidence reported shall be obtain from the following method: (1) observation, (2) information obtains through interview session, and (3) documentation evidence maintains by the company.*
*The evidence provided must be:*

- *sufficient = quantity of audit evidence is adequate to reflect the finding,*
- *relevant = address finding objective, and*
- *reliable = credible and consistent.*

**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<br>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 | Adequate information covering environmental, social, and legal issues relevant to RSPO Criteria and stakeholders is actively shared to facilitate effective participation and decision-making. Lebijaya Sdn. Bhd. (LSB) ensures that information on relevant environmental, social, and legal matters is accessible to stakeholders. Publicly available documents at LSB, including land titles, OSH plans, HCV documents, negotiation procedures, complaint records, RSPO public summary reports, EIA, management plans, continuous improvement plans, and company policies, contribute to transparency.<br><br>During the latest external stakeholder meeting held on 3/11/2023, relevant stakeholders such as neighbouring estates, smallholders, POM, internal workers, and the sustainability team from Hap Seng Plantations were briefed on all RSPO principles and criteria. Additionally, a stakeholders meeting for the larger group, with a two-year interval, took place on 4/8/2022 (external). During this meeting, detailed presentations were made regarding comments from various stakeholders on social impacts, accompanied by proposed mitigation plans by the company. Each issue raised by participants was addressed in the action plan. Stakeholders in attendance included the Labour Department, SK Litang, Fire Department, Representative from Hap Seng Plantations Berhad, Sukau Police Department, Bukit Kretam (smallgrower neighbor), Klinik Mabello, neighboring estates, SK Tomanggong, Sabah, Immigration Department, Neighbouring Smallholder, and Internal workers. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | 1.1.2 Information is provided in appropriate languages and accessible to relevant stakeholders.<br><br>*AUDITORS' GUIDE:*<br>*Appropriate language means apart from Bahasa Malaysia & English, information needs to be made available in languages deem suitable to ensure ALL stakeholders understand the content/information.* | YES | LSB has designated the Estate Manager, as the personnel responsible for coordinating activities related to stakeholders, specifically in handling complaints for indicator 1. The appointment letter for the Estate Manager, issued on 28th March 2021, was verified during the assessment. Records of communication were diligently maintained at respective offices.<br><br>Communication with authorities such as DOSH, DOE, and the Labour Department was well-documented in the communication file, External Communication Form, and Communication Record. As of the assessment, there have been no requests for such information from the public. The records inspected included correspondences with authorities, local communities, and employees.<br><br>During interviews with government agencies such as Labour Department Kinabatangan, Immigration Sandakan, DOSH, DOE, MPOB, Land Department, and Villagers, it was confirmed that they were aware of the consultation and communication procedures related to LSB's operations. |
| | 1.1.3 (C) Records of requests for information and responses are maintained. | YES | The records of requests as mentioned in indicator 1.1.2, had been logged in the Communication Record Form which was used for records including authority visits books. As at todate audit, there is no information had been requested. |
| | 1.1.4 (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.<br><br>*AUDITORS' GUIDE:*<br>*1) Do the stakeholders include Orang Asli or indigenous people? Refer to AUDITORS' GUIDE IN REPORTING ORANG ASLI MATTERS at the end of this checklist.*<br>*2) Make sure relevant consultation and communication are properly documented and available for review during audit. The process description shall be clear for reference.*<br>*3) Obtain information on how relevant procedures were circulated to employees and the awareness process i.e.*<br>*a) Type of contract – daily rate or piece rate. Overtime?*<br>*b) Mechanism for handling of complaint from internal/external stakeholders.* | YES | LSB has well-documented consultation and communication procedures diligently followed and available at the audited sites. The Stakeholder Consultation Procedure SOP Group/Estate Level, dated 2nd January 2020, specifically outlines the procedures for LSB CU. This document was thoroughly verified during the audit.<br>A review of records in the internal and external communication files reveals strict adherence to procedures and manuals developed by the company within the estates and mill. Internal communications include comprehensive records of meetings, briefings, memos, notices, and posters/pamphlets displayed on notice boards at the office and muster ground. Regular morning briefings serve as a vital means for management to convey policies, procedures, rules, regulations, and other pertinent information to employees.<br>External communications predominantly consist of well-organized correspondence found in the External Communication File. Additionally, LSB issued a survey letter dated 1st November 2023 related to the development of consultation and communication procedures for surrounding stakeholders. This survey was distributed to neighboring growers, villagers, and Hap Seng Plantation. As of the current date, there have been no complaints from stakeholders, indicating the effectiveness of the consultation and communication procedures in place. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | *c) Workers understanding and awareness.*<br>*d) Other workers samples including Orang Asli (if any), contract workers, foreign contract workers.* | | |
| | 1.1.5 There is a current list of contact and details of stakeholders and their nominated representatives.<br><br>*AUDITORS' GUIDE:*<br>*Stakeholders listing shall include internal parties such as workers leader, women leader, religion head, ethnic leader etc.* | YES | The lists of stakeholders at LSB are meticulously prepared by the company headquarters, encompassing a diverse range of entities such as government agencies, suppliers, contractors, schools, bus operators, and traders. To ensure relevance and inclusivity, the stakeholder list was last updated on 11/11/23. This list is now including Government Agencies, NGO's, Suppliers/Contractors, and all neighboring estates.<br>During the audit, random interviews were conducted with government agencies and communities such as Labour Department Kinabatangan, Immigration Sandakan, DOSH, DOE, MPOB, Land Department, and Villagers using the phone numbers provided in the stakeholder list. The positive outcome of being able to contact these stakeholders during the consultation process demonstrates the effectiveness of maintaining an up-to-date and comprehensive stakeholder list. |
| 1.2<br>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 | LSB has documented its commitment to integrity in all business operations and transactions, including with all workers, by publishing the Code of Conduct and Business Ethics Policy dated 3 December 2020. The estate has communicated this policy to Mandore and all workers during the induction course and awareness briefing. The most recent awareness briefing for all workers was conducted on 12/10/2023.<br><br>During the audit, 19 sampled check-roll workers were interviewed regarding the recruitment process. However, since all the workers do not use passports and are issued IMM13 documents (issued to Filipino refugees in Sabah), they are recruited through walk-ins only, which can be considered a local recruitment process procedure. Furthermore, in LSB, there are no contractors for any supplies or services. They do not use contractors or suppliers for their chemicals or machineries. Instead, all equipment is sourced internally, and repairs are carried out internally as well. |
| | 1.2.2 A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. | YES | In addition, LSB has established a Vendor Code of Conduct and Business Ethics to define the expected standards of behaviour, emphasizing the commitment to uphold human rights. The COBC applies universally to all suppliers, consultants, agents, contractors, and service providers engaged in direct dealings with LSB.<br><br>To ensure compliance and effective implementation of this policy, LSB employs internal audits as a monitoring mechanism. The Internal Audit and Management Review Procedure, dated 8/1/2020, outlines the framework for these assessments.<br><br>It's worth noting that, as of the current date, there have been no contractors present at the estate, reflecting the ongoing commitment to maintaining high ethical standards. |

**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<br>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.<br><br>*AUDITORS' GUIDE:*<br>*1) Relevant legal requirement might differs between states in Malaysia i.e. peninsular, Sabah & Sarawak.*<br>*2) Give focus on social related legal requirement such as Sabah Labour Ordinance, Child Rights & Protection, Human Rights, Immigration Act, Passport Act, etc.*<br>*3) Please note on the process of the following during audit (where applicable):*<br>*i) foreign workers legalization (Program Pemutihan),*<br>*ii) foreign workers recruiting through agent and quota basis vs walk-in application*<br>*iii) Immigration permit renewal process.* | YES | LSB) continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation was captured in a Legal Register and monitored by the Estate Manager. Some of the license reviews are:<br>• MPOB license valid until 30/04/2024.<br>• Company registrations: still active<br>• Trading license valid until 31/12/2023.<br>• Permit to storage diesel, valid until 03/06/2024.<br>• Energy commission license capacity 10 kW and valid until 24/03/2024.<br>• CHRA has been conducted by Utlus Venture (M) Sdn. Bhd., and assessor is, DOSH registered with no. #HQ/17/ASS/00/38 on 18/02/2020. The assessment has been carried out for 4 work units which use chemicals such as: Pesticides Applicator, Fertilizer Applicator, Workshop Worker and Pesticides & Fertilizer Storekeeper<br>• All workers involved with pesticides were carried out the medical surveillance were sent to Klinik Mabello (Jeroco) Sdn. Bhd. and checked by OHD doctor on 31/10/2023 and 10/11/2023 for 2 workers. From the result, both workers fit to handle chemical.<br>• Initial noise risk assessment conducted by Ultus Venture Sdn Bhd, (DOSH registered) on date 29/09/2021.the assessment has been carried out to at operation such as FFB evacuation, workshop, and genset area. Results from assessment were identified all the operations were exposed to below Excessive Noise of 82 dB(A) and comply with OSH (Noise Exposure) reg. 2019. However, CU had sent 1 genset operator to conduct an audiometry screening at Mabello Clinic (OHD in November 2023, and results were indicated the employees has normal hearing.<br>• SW has yet to be disposed due to low in inventory stocks. However sighted application to DOE for extension of the period inventory on 27/11/2023 and the current status is in DOE process.<br><br>Generally, the companies comply with the Minimum Wages Order 2022, Immigration Act 1959/63, Employment Insurance System Act 2017, Employees Provident Fund Act 1991 and others local laws and regulations. |
| | 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 | LSB had documented the List of Legal Register covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | Changes to the law and regulation are monitored by the Admin Manager. Various sources were referred in obtaining information about the updates of legal requirements. This includes checking with the industrial association (e.g., MPOA, EMPA, SECA, etc.), attending seminar/conference, buying of the law books, sourcing the government agencies websites and etc. The estate was tracking any changes to applicable law and the Admin Manager is the person responsible to monitor any changes to the law and to cascade those changes to all sites. Latest review was done on 16/11/2023. |
| | 2.1.3 Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries. | YES | During the site review, the physical markers were visibly maintained at LSB. The perimeter boundary of the estate was visibly maintained by erecting pegs along the boundary, especially the ones that adjacent to other private estate.<br>LSB is neighbouring to:<br>▪ First Rain Tree (Harus Abadi).<br>▪ Litang Utara Estate Hap Seng Plantations<br>▪ IOI UNICO Plantations<br>▪ Neighbouring smallholder |
| 2.2<br>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 LSB in stakeholder list updated on 11/11/23. The lists contain name of villagers, Nearby Estates, External Mills, NGO's, Government Agencies. designated contact persons, address, telephone/fax/email and type of contracted works done. |
| | 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 | The list of contracted parties is maintained by LSB in the stakeholder list. The lists contain name of villagers, Nearby Estates, External Mills, NGO's, Government Agencies. designated contact persons, address, telephone/fax/email and type of contracted work done. |
| | 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 | As of to date in LSB, there is no Contractors/ contracts involved in all works due to this is an outgrower and all the work is done by themselves. Their workers also did not go through Recruitment agencies, due to all of their worker is IMM 13 (refer to Immigration Act Sabah). Thus, this indicator is not applicable. |
| 2.3<br>All FFB supplies from outside the unit of certification are from | 2.3.1 (C) For all directly sourced FFB, the mill requires:<br>• Information on geo-location of FFB origins. | YES | There is no mill involved in this outgrower certification. Thus, this indicator is not applicable. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| legal sources. | • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder<br>• One or more supporting documents for claims<br>• Valid MPOB license | | |
| | 2.3.2 For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1. | YES | There is no mill involved in this small grower certification. Thus, this indicator is not applicable. |

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

Implement plans, procedures and systems for continuous improvement.

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td rowspan="2">3.1<br>There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.</td><td>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.</td><td>YES</td><td>LSB continued to achieve long term economic and financial viability through documented management plan projected to year 2026.<br><br>A business plan including crop forecast, capital expenditure, operational expenditure, general charges, profit and loss covering the period of 2024 to 2027 had been prepared the estate and made available to the auditors. Among the details of the projected figures as follows:
<table>
<tr><th>Year</th><th>2024</th><th>2025</th><th>2026</th></tr>
<tr><td>Mature Ha</td><td>215.80</td><td>215.80</td><td>215.80</td></tr>
<tr><td>Immature Ha</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>FFB Tons</td><td>3500.00</td><td>3500.00</td><td>3500.00</td></tr>
<tr><td>Yld/Ha</td><td>16.21</td><td>16.21</td><td>16.21</td></tr>
</table></td></tr>
<tr><td>3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available.</td><td>YES</td><td>Replanting program for estate was made available, as follows:
<table>
<tr><th>Proposed Replanting Year</th><th>Planted Year</th><th>Ha</th></tr>
<tr><td>2024</td><td>N/A</td><td>0.00</td></tr>
<tr><td>2025</td><td>N/A</td><td>0.00</td></tr>
<tr><td>2026</td><td>N/A</td><td>0.00</td></tr>
<tr><td>2027</td><td>2001</td><td>215.80</td></tr>
</table></td></tr>
</table>

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | 3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.<br><br>*AUDITORS' GUIDE:*<br>*1) Check the management review agenda. Confirm that the meeting has discussed and addressed all the required.*<br>*2) Should there be any internal audit carried out internally, check on the findings, the closure and the completeness of actions taken to address the internal audit findings.* | YES | The Management Review Meeting (MRM) at LSB took place following internal audits conducted by the Sustainability Teams from HSP on 11th to 12th June 2023, 2nd to 3rd November 2023, and 16th to 17th November 2023. The MRM, chaired by the Estate Manager and attended by all estate management and the sustainability team from HSP, was conducted on 16th June 2022.<br>During the MRM, various key aspects were discussed, including:<br><br>1. Follow up actions from earlier MRM<br>2. Sustainability and adequacy of all SOPs<br>3. Sustainable Agriculture Policy<br>4. Results of internal audits<br>5. Changes In legal requirement of any compliance<br>7. Complaint's/ Customer (internal/external) feedback<br>8. Accident & injury<br>9. Environmental quality<br>10. Waste management<br>11. Energy usage performance<br>12. Status of corrective actions<br>13. Recommendations for improvement<br>The management's transparent approach in addressing the continuous suitability, adequacy, and effectiveness of RSPO requirements demonstrates a commitment to ongoing improvement and adherence to sustainability practices. |
| 3.2<br>The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations. | 3.2.1 (C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification. | YES | LSB has established the Social Impact Assessment Management Action Plan and Continuous Improvement Plan on 11th – 12th January 2023. The date of the first report is 25th January 2019. The action plan review was conducted in 24 December 2022. Continual Improvement Plan covers issues related to continued and improved relationship with neighbouring Estates, Government agencies, Palm Oil Mills and both internal and external stakeholders (including suppliers, work force etc) in general. Person responsible for social issues (internal and external stakeholders) and monitoring them had been appointed. had been plan and person responsible to monitor the implementation.<br>The sighted LSB Social Impact Assessment Management Action Plan covered:<br>• Review of social impacts and to implement plans to mitigate the negative impacts and promote the positive ones.<br>• Compliance to SOP and legal requirements regarding to social.<br>• To contribute to local communities' (workers) development.<br>• To response on the issues discussed during the various avenues (Stakeholder Meeting, OSH Meeting, Workers Meeting, Complaint Books etc)<br>Plans and impact assessments relating to environmental impacts maintained available. The LSB have conducted environmental assessment titled 'Environmental Impact |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | Assessment Management Action Plans and Continuous Improvement Plans'. The EIA action plan was updated and each of the issues was identified for the estate. |
| | 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.<br>*AUDITORS' GUIDE:*<br>*Review the metrics template and ensure details reported are consistent with details in this report.* | YES | The auditor already verified and checked the data and figure in RSPO Metric Template and was consistent 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.<br>*AUDITORS' GUIDE:*<br>*Apart from operational procedures to the mill & plantation, ask for procedures on how the company manage their foreign workers and workers recruitment through contractors as these issues were considered as high-risk i.e. recruitment process, training, benefits, probation, payment of wages, renewal and management of permit/passport etc.* | YES | It's evident that LSB has a robust set of documented manuals and procedures in place to guide various aspects of their operations. Here's a slightly refined version for clarity:<br>LSB has adopted the following documented manuals and documents as their standard operating procedures:<br>a) Safe and Standard Operating Procedures (SSOP): Updated in January 2022.<br>b) Agricultural Manual 2020:<br>The Agricultural Manual, last updated on 02/01/2020, along with the MPOB Guideline for smallholders, serves as the operational manual for estate activities. It encompasses all operations, from seedlings in the nursery to field planting. Sections within the manual cover activities such as harvesting, manuring, integrated pest management, and the maintenance of mature oil palms.<br>The Safe and Standard Operating Procedures (SSOP) are the standard procedures for safety precautions in all estate operations. Last reviewed on 11/01/2022, the document outlines procedures, control measures, and the mandatory use of personal protective equipment (PPE) during work. Relevant SOPs are visibly displayed at various workstations for easy reference, including the muster ground, chemical storage, and diesel storage.<br>LSB also maintains Standard Operating Procedures (SOPs) for social aspects, including:<br>1) Grievance Procedure – 01/08/2020<br>2) Land Dispute Management – 02/01/2020<br>3) Stakeholder Consultation Procedure – 02/01/2020<br>4) Procedure for Requesting Company Information – 30/11/2019<br>5) Mechanism for Protection of Complainant against Retaliation (Whistleblower) – 14/12/2019<br>6) Guideline/Procedure – Sexual Harassment<br>7) Procedure for Hiring Workers (Local and Foreign)<br>8) Flowchart Recruitment, Termination, Retirement and Promotion Procedure (Local |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | and Foreign Workers)<br>9) Procedure for Reporting Complain and Grievances – Stakeholder (Internal and External)<br>10) Flowchart Mechanism for Complaint and Grievance (Stakeholder – Internal) |
| | 3.3.2 A mechanism to check consistent implementation of procedures is in place. | YES | There are several mechanisms used to check on consistent implementation of procedures. One of the regular mechanisms used by LSB are internal audits conducted by Hap Seng Plantations Sustainability Team. The internal audit was covering both MSPO & RSPO and was conducted on 16-17/11/2023. Results from the internal audit assessment recorded 2 Major NCR and 3 Minor NCR. Audit result was reported through Audit Report. Among the audit findings raised were related to biodiversity assessment, social impact assessment, safety & health and good agriculture practices. The finding was closed by identification of strengths and root causes of nonconformities and implemented the necessary corrective action. Audit report was established and maintained. |
| | 3.3.3 Records of monitoring and any actions taken are maintained and available.<br><br>*AUDITORS' GUIDE:*<br>*1) Records are essential evidence for implementation.*<br>*2) Some records related to migrant workers employment were;*<br>*a) the monitoring of fees that migrant workers pay before they depart from their home country,*<br>*b) demand letters,*<br>*c) MoUs and agreements between recruitment agents the CH and the consulates/embassies for the migrant workers.*<br>*3) The company should provide relevant records as evidence on how they manage and monitor their contractors' compliance against the RSPO requirements e.g. legality of the workers, appropriate license, employment contract, insurance and wages, for the workers employed thru the contractors.*<br>*4) Records of new workers recruitment process, training, benefits, probation, renewal of* | YES | On the LSB Estate, the estate manager and his subordinates were accountable to check on consistent implementation of procedures. The implementation of procedures was also carried out through:<br>• RSPO/MSPO internal audits by Hap Seng Plantations Sustainability Team, safety and health meetings<br>• routine inspection (workplace inspection) by field staff.<br>• Periodic reporting from estate<br>• On site visits, inspections by estate manager<br>• Assessments by RSPO Audits<br>• Consultation with RSPO team & management.<br>Implementation of these procedures included:<br>• briefing on the SOPs and related documents.<br>• workers were frequently reminded about it during the morning muster.<br>• safe keeping in the administration office for reference.<br>• relevant SOPs, sometimes an abridged version, were displayed at various workstations, e.g. at estate office notice board for easy reference.<br><br>The LSB has managed and monitored their workers' status compliance against the RSPO requirements such as legality of the workers, appropriate license, employment contract, insurance and wages. Suppliers/Vendors compliance with LSB 'Code of Conduct and Business Ethics Policy was also monitored. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | *permit/passport shall be sampled and reviewed.* | | |
| 3.4<br>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 LSB. Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) was conducted internally considering activities associated to estate operations. LSB also has a documented Social Impact Assessment (SIA) Management Action Plan and Continuous Improvement Plan. The SIA was conducted on 10 – 12 January 2019 and report dated 25 January 2019 was prepared by 2 members of the Hap Seng sustainability team with last reviewed on 30/11/2023. The initial SIA assessment was developed with participation of stakeholders (internal and external) as evidenced by the minutes of the stakeholder consultations (Estate Level) dated on 15 January 2022 where 43 stakeholders comprising worker representatives, government agencies, internal stakeholders, suppliers, contractors or consultants, and neighbouring plantations were present. Follow up stakeholder meetings to review the SIA was conducted on 3rd Dec 2021 and 22 December 2021 was done remotely by Zoom call due to the ongoing COVID-19 pandemic. Stakeholders of LSB who joined the last stakeholder consultation meeting included an NGO (Humana Child Aid Society, WWF), government bodies (EPF, MPOB, DOSH), contractors and suppliers and surrounding estates. The annual stakeholder consultation meetings for LSB are combined with stakeholder consultation meetings for other 6 other neighbouring outgrower companies that are supplying to palm oil mills owned by Hap Seng Plantations (2 companies are certified and 4 others are in progress of RSPO certification), as the stakeholders for all these outgrower companies are similar. A separate stakeholder consultation with all 5 estate workers was conducted on 23 December 2021 with records of meeting minutes, photos and signed attendance list sighted. No issues or complaints were raised by participants of the last stakeholder consultation meeting. |
| | 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.<br><br>*<u>AUDITORS' GUIDE:</u>*<br>*1) To ensure adequate stakeholder involvement", auditors can look for evidence that the CH considers internal/external input i.e. union minutes, JCC meetings, workers complaint log book and any other sources apart from stakeholder meeting as the sources of stakeholders input and to demonstrate their involvement.*<br>*2) Do the stakeholders include Orang Asli or* | YES | For LSB, the SIA and EIA reports are separated. The Environmental Impact Assessment (EIA), Management Action Plans, and Continuous Improvement Plans, which cover activities from upstream such as FFB reception to downstream processes, were sighted during the assessment and last reviewed on 05/08/2023. Identification and evaluation of environmental impacts were conducted for all activities and processes related to estate operations. The assessment aimed to evaluate and analyze the operations' impact on soil, water, and air associated with the organization's activities. The EIA review process included stakeholders' consultation regarding environmental aspects, impacts, pollution control, ERT, HCV, and land usage issues. The reviews involved respective Managers, Assistants, the Sustainability Team, and external stakeholders such as government agencies, neighbouring estates, local villagers, suppliers, and contractors. So far, no environmental issues have been highlighted during stakeholders' meetings.<br><br>Consultation with relevant and affected stakeholders took place on 22/12/2021 and |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | *indigenous people? Refer to AUDITORS' GUIDE IN REPORTING ORANG ASLI MATTERS at the end of this checklist.*<br>*3)To ensure participation of internal stakeholder like workers are with appropriate representatives – all races, job scopes, male & female etc.*<br>*4) To ensure that replanting activities and workers involved sampled.*<br>*5) To ensure available positive impacts were identified, included, and promoted into the SEIA by the CH.*<br>*6) To ensure negative impacts were identified and mitigated appropriately.*<br>*7) Mechanism to monitor the plans established shall be evident.* | | 04/08/2022 through virtual meetings, face-to-face interactions, and phone calls, leading to the establishment of the EIA Action Plan. The meetings were attended by various government agencies, local communities, NGOs, and neighbouring estates. Evidence of stakeholder participation was available in signed attendance lists, photographs showing evidence of the consultations, and maintained meeting minutes. No negative impact issues related to social aspects have been highlighted during stakeholders' meetings.<br><br>LSB also has a documented Social Impact Assessment (SIA) Management Action Plan and Continuous Improvement Plan. The SIA was conducted and reviewed on 10 – 12 January 2023, and the report dated 25 January 2023 was prepared by two members of the Hap Seng sustainability team, with the last review on 01 December 2023. The initial SIA assessment was developed with the participation of stakeholders (internal and external), as evidenced by the minutes of the stakeholder consultations (Estate Level) dated 15 January 2022, where 43 stakeholders comprising worker representatives, government agencies, internal stakeholders, suppliers, contractors, or consultants, and neighbouring plantations were present. The annual stakeholder consultation meetings for LSB are combined with stakeholder consultation meetings for six other neighbouring outgrower companies that supply palm oil mills owned by Hap Seng Plantations (two companies are certified, and four others are in progress of RSPO certification), as the stakeholders for all these outgrower companies are similar. A separate stakeholder consultation with all workers was conducted on 18/07/2023, with records of meeting minutes, photos, and signed attendance lists sighted. No issues or complaints were raised by participants of the last stakeholder consultation meeting. |
| | 3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.<br><br>*<u>AUDITORS' GUIDE:</u>*<br>*1) Please check any changes that may trigger the renewal of the SEIA assessment i.e., change of stakeholders' composition, current situation and condition in comparison with the baseline year.*<br>*2) Review the update between the current version vs the previous version. To compare detailed changes. Record both document version no. for purpose of reference.* | YES | The social and environmental management and monitoring plan have been implemented, reviewed, and updated regularly in a participatory way with internal stakeholders such as worker leaders, non-union workers, dependents based on gender, race, job scopes, etc., and external stakeholders such as government agencies, contractors, consultants, neighboring plantations, and villagers such as Kg. Litang. The assessments were reviewed on 01/12/2023, with the participation of Joint Consultative Committee (Estate Level) meetings held on 03/11/2023 (LSB) and a joint session from HSPB groups on 22/12/2021. Evidence of the feedback received during these consultations has been documented in the social and environmental management and monitoring plan. From 2019 until today, there have been no demographic changes or new systems implemented at the CU. Additionally, no negative impact issues related to social aspects have been highlighted in stakeholders' meetings for the past three years. ***As a result, previous nonconformities were satisfactorily closed.*** |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| 3.5<br>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.<br><br>*AUDITORS' GUIDE:*<br>*1)Appropriate language is used for the employment procedures – Bahasa Malaysia, English and language understood by all workers or their representative.*<br>*2)Workers – local/ foreign/ contractors/ Orang Asli/ male & female.*<br>*3)Get confirmation from workers (as stated above) that they understand the employment procedures content.* | YES | The CU has developed employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives. The procedures were established by Bahasa Malaysia/English for foreign and local workers dated 20/08/2022.<br>The procedures described via walk in process and supply by foreign workers agencies. The recruitment process was clearly stated in the procedure where the recruitment was based on age, medical fitness 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 etc. The procedure was briefed and explained to all workers during induction weeks and refresher morning muster.<br>Based on interviews with sampled IMM13 workers (both male and female), it was confirmed that they clearly understood the employment procedures, and no recruitment fees were charged to them. |
| | 3.5.2 Employment procedures are implemented, and records are maintained. | YES | Based on the files sighted, the CU is able to demonstrate the implementation of the employment procedures, and records are maintained. Audit team has also verified all recruited workers from Philippines (IMM13) through personal file by employment no./ name of employee, employment contract, offer letter, identification documents. etc. Review of the above employment records of LSB employees proved that the Employment procedures had been implemented, and records are maintained at the CU.<br>Application form, interview assessment form, medical check-up report, photocopied identification card and employment contract were sighted for newly recruited employees. Interviewed with the estate management, confirmed that if there is any job vacancy available in the estate, they will pass the information through word of mouth to all the workers and recommended by Estate Mandore. Mostly the workers at the CU was recruited via walk in process. No recruitment agencies were hired by either management. |
| 3.6<br>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.<br><br>*AUDITORS' GUIDE:*<br>*1) Apart from updating the HIRARC based on accident/incidence repot, auditor needs to further enhance this activity to ensure details in the HIRARC is appropriate.*<br>*2) As for reporting, review the correctness and* | NO | An Occupational Safety and Health Policy has been established on date 3rd December 2020 and signed by the Director. It is available in Bahasa Malaysia and English language. The policy has been communicated to all employees through briefings on 18/09/2023, and hard copies of policies were seen displayed on the estate notice boards. Based on interviews conducted with, harvesters, spraying and, general workers, observed they are aware and understood regarding occupational health and safety matters.<br><br>The hazard identification, risk assessment and risk control (HIRARC) procedure were established. The Estate has conducted the risk assessment on all its operation as well as determining their control measures. DOSH HIRARC Guideline 2008 was used by the CU |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | *effectiveness of details in the HIRARC.* | | with consultation input from employees and Sustainability Department from Hap Seng Plantation to guide them in developing the Register. Besides HIRARC and CHRA associated mitigation plans such as use of workplace inspection, valid Certificated Equipment and Machineries, employment of Competent Person and for those handling chemical health clearance certificate from DOSH-Registered OHD were undertaken by the Operating Unit assessed.<br><br>The estates have conducted risk assessment on all its operations as well as determining their control measures annually. Last review was on 13/01/2023 related to all all estate activities. Risk assessment on activities such as harvesting, weeding, manuring, pruning, replanting, etc. have been carried out and control measures determined. On overall performance, OSH administrative controls implementation as well as engineering control equipment was found adequate during the assessment. However, during review and site visit was found :<br>1. risk control for hearing (noise) for activities road maintenance using an excavator was not yet identified and given to operator, sighted no issuance of earmuff or ear plug to the operator since January 2020 as per PPE issuance record book.<br>2. Risk Assessment for activity construction (new housing or maintenance) was not yet available.<br>3. Risk Assessment for activities after harvesting not yet identified, during site visit at housing area was sighted harvesting pool with no sickle cover were left on the ground near the housing complexes.<br>**Thus, Major NCR RAR 01 2023 has been raised.** |
| | 3.6.2 (C) The effectiveness of the H&S plan to address health and safety risks to people are monitored. | YES | Occupational health and safety (OHS) management plan for the estate has been established. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, audiometric test, use of PPE, OSH Committee meetings, etc. Generally, the OSH plans for the year 2023 were acceptable.<br><br>Besides that, the effectiveness of the H&S plan to address health and safety risks to people are monitored by estate management. Furthermore, the Sustainability Department from Hap Seng Plantation have carried out the internal audit on a yearly basis to check the implementation. Other than that, the workplace inspection was done monthly to ensure all H&S plan was done effectively. Reports produced from each visit by the assigned person incharge were reviewed. It was noted that the operation units have taken necessary action to address the comments received. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| 3.7<br>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.<br><br>*AUDITORS' GUIDE:*<br>*Sample training for everyone – staffs, workers, contractors.* | YES | The auditor sighted LSB's Training Schedule for 2022 and Training Matrix for 2023, including dates for the scheduled training sessions. Formal training programs for both years addressed key aspects of the RSPO Principles and Criteria, with regular assessments of training needs. These sessions were conducted either internally by LSB's own manager or by the sustainability team from Hap Seng Plantation.<br>Some of the training programs included in the schedule are:<br><br>• Harvesting and Use of PPE<br>• PPE Training & Demonstration<br>• Chemical spraying and Use of PPE<br>• Accident Investigation Techniques<br>• Emergency Respond Plan Training (e.g. Chemical spill, poisoning, Fire. Lightening)<br>• First Aid Training<br>• Scheduled waste management.<br>• Fire drill<br>• IPM training<br>• Covid preparedness training<br>• Sexual Harassment<br>• HCV Awareness<br>• RTE protection and Awareness<br>• Beneficial plants<br>• New Technology briefing |
| | 3.7.2 Records of training are maintained, where appropriate on an individual basis. | YES | Records of training were kept in the training file. The records included information on the title of the training, name and signature of the attendees, name of the trainer, time and venue.<br><br>Verified details of training included the following:<br>• HCV Awareness on 18/09/2023, 20/9/23<br>• First Aid Training on 21/09/2023<br>• Chemical Handling Training on 22/09/2023<br>• Scheduled Wastes Management Training on 22/09/2023<br>• Waste Management and Landfill Training on 16/01/2023<br>• PPE Management Training on 19/09/2023<br>• Complain and Grievances Procedure Briefing on 18/09/2023<br>• Sexual Harassment Procedure Briefing on 18/09/2023<br>• SSOP for Harvesting Operation on 16/01/2023<br>• SSOP for Tractor Driver on 19/09/2023<br>• SSOP for Loading Ramp Attendant on 19/09/2023 |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | • ERP and Fire Drill Training on 21/09/2023<br>• SSOP for Manuring Operation on 16/10/2023<br>• RSPO/MSPO Awareness and Company Policies Briefing on 18/09/2023 |
| | 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. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |

**SUPPLY CHAIN REQUIREMENTS FOR MILLS**

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| 3.8.1 | Identity Preserved Module<br>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<br>Certification for the CPO mills is necessary to verify the volumes and sourced of certified FFB entering the mill, | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | 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. | | |
| 3.8.2 | Mass balance Module<br>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. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |
| 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. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |
| 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). | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |

| 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:<br>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.<br>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).<br>• 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.<br>• The site shall have documented procedures for receiving and processing certified and non-certified FFBs. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |

| 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;<br><br>• Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.<br>• Effectively implements and maintains the standard requirements within its organisation.<br>• 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. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |

| 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.<br><br>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.<br><br>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.<br><br>*AUDITORS' GUIDE:*<br>• *Obtain list of all suppliers and list of purchase orders/invoices/ documentation issued between the mill and the suppliers.*<br>• *Check for agreement/contracts signed with suppliers (if necessary).*<br>• *Sampling of purchase orders/invoices shall be done on a random basis and the minimum number of samples selected shall be based on the square root formula for each supplier.*<br>• *Ensure the purchase orders/invoices have the correct supplier's information.* | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| 3.8.8 | Sales and Goods Out<br>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single-documents or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documentation and specification documentation): a) The name and address of buyer;<br>b) The name and address of the seller<br>c) The leading or shipment/delivery date;<br>d) The date on which the documents were issued;<br>e) RSPO certificate number;<br>f) A description of the product, including the applicable supply chain model (IP or MB or the approved abbreviations);<br>g) The quantity of the products delivered;<br>h) Any related transport documentation<br>i) A unique identification number | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| 3.8.9 | Outsourcing Activities<br>(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.<br>(ii) The mill shall ensure the following:<br>a) The mill has legal ownership of all input material to be included in outsourced processes<br>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.<br>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.<br>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. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |

| 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. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |
| 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. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |
| 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. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |
| | 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. | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |
| | 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. | **N/A** | Not Applicable since this Management is a Small grower company, No Mill involved in this Assessment. |
| | iv) For Mass Balance Module, the mill:<br>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.<br>b. All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by | **N/A** | Not Applicable since this Management is a small grower company, No Mill involved in this Assessment. |

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | RSPO.<br>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<br>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. | **N/A** | Not Applicable since this Management is a Smallgrower company, No Mill involved in this Assessment. |
| 3.8.14 | Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate. | **N/A** | |
| 3.8.15 | Processing<br>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. | **N/A** | Not Applicable since this Management is a Smallgrower company, No Mill involved in this Assessment. |
| 3.8.16 | Registration of Transactions<br>i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date | **N/A** | Not Applicable since this Management is a Smallgrower company, No Mill involved in this Assessment. |

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | being the Bill of Lading or the dispatch documentation date.<br>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 | | |
| 3.8.17 | Claims<br>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.<br>*AUDITORS' GUIDE:*<br>*SC auditors, kindly check the application of RSPO Trademark and RSPO Logo, to be in accordance with that specified as General Corporate Communications and Product-Specific Communications of RSPO Rules on Market Communications and Claims, 2022 (wherever applicable).* | **N/A** | Not Applicable since this Management is a Smallgrower company, No Mill involved in this Assessment. |

**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<br>The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders. | 4.1.1 (C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders, is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces. | YES | Human Rights policy dated 1/3/2020 was made available at LSB. There is also a new sustainable Agriculture Policy dated 12 August 2020 signed by the Managing Director and it contains the clause of prohibiting retaliation against Human Rights Defenders. The policy has been communicated to staffs and workers during morning muster and training on 18/9/23. Auditor has verified through interview with 19 workers and all of workers interviewed understand this policy. |
| | 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<br>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 | LSB has established procedures to address grievances and disputes, including the 'Procedure for reporting complaints and grievances (Prosedur Melapor Aduan dan Permasalahan)' and 'Grievances Procedure – Appendix 1' for staff and workers. Additionally, the company has developed the 'Prosedur Aduan' dated 2020. Moreover, LSB has implemented a procedure titled 'Mekanisme Melindungi Pengadu Terhadap Tatacara tidak Wajar (Whistleblower)' dated 2 November 2020, aimed at protecting the complainants.<br><br>The most recent external stakeholder meeting, conducted on 3/11/2023, involved relevant stakeholders, such as neighboring estates, smallholders, POM, internal workers, and the sustainability team from Hap Seng Plantations. During this meeting, a survey on RSPO Policy and procedures was conducted. The auditor has verified and confirmed that there are no issues related to the systems developed by the company." |
| | 4.2.2 Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.<br><br>*<u>AUDITORS' GUIDE:</u>*<br>*1)Appropriate language is made available – Bahasa Malaysia, English and language understood by all workers or their representative.*<br>*2)Workers – local/ foreign/ contractors/* | YES | Based on interview with stakeholders at LSB, found the system was understood by the affected parties. The procedure for complaint/grievance resolution was explained to all workers and external stakeholders through management/workers/stakeholders meeting. Latest external stakeholder meeting conducted on 3/11/2023 involved relevant stakeholders such as neighbouring estate or smallholders, POM, internal workers and sustainability team from Hap Seng Plantations and conduct survey on RSPO Policy and procedure and auditor has verified and confirmed there is no issues related to system developed by the company. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | *Orang Asli, ALL.*<br>*3)Get confirmation from workers (as stated above) and other affected stakeholders sampled during the audit that they understand the procedures content – complaint/grievance.* | | |
| | 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 | LSB 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 Latest external stakeholder meeting conducted on 3/11/2023 involved relevant stakeholders such as neighbouring estate or smallholders, POM, internal workers and sustainability team from Hap Seng Plantations and conduct survey on RSPO Policy and procedure and auditor has verified and confirmed there is no issues related to system developed by the company. |
| | 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 | LSB has a system in place to address disputes and grievances, outlined in the procedure known as 'Prosedur Melapor Aduan dan Permasalahan' and 'Grievances Procedure – Appendix 1' for staff and workers, as well as the Stakeholders Consultation Procedure – Group Level & Estate Level, dated 7/12/2020. The company employs its own Internal Complaint Form/Book and External Communication/Complaint Form/Book. Internal Complaint Books are primarily used by employees for lodging complaints related to their houses. Upon review, the external stakeholder complaint record/book did not indicate any grievances against the CU.<br><br>It's noteworthy that the Grievance Procedure has been updated to include the option for complainants to choose individuals or groups to support them and/or act as observers, along with the availability of a third-party mediator. This updated procedure is dated 4/1/2022. |
| 4.3<br>The unit of certification contributes to local sustainable development as agreed by local communities. | 4.3.1 Contributions to community development that are based on the results of consultation with local communities are demonstrated. | YES | Based on information based on SIA documents to indicate that there is or is no any community surround LSB and to indicate the there is or is no any need to contribute to local community development. only smallholder nearby estate and Lebijaya has given Permissions to all small holder to use their road without charges. |
| | *<u>AUDITORS' GUIDE:</u>*<br>*1)Do the stakeholders include Orang Asli or indigenous people? Refer to AUDITORS' GUIDE IN REPORTING ORANG ASLI MATTERS at the end of this checklist.*<br>*2)To check records on communication & consultation between the CU and the local communities.*<br>*3)The contributions should have long term economic, social and/or environmental benefits, and/or SDGs related.* | | |

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td rowspan="4">4.4<br>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.</td><td>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.</td><td>YES</td><td rowspan="2">The right to use the land at the CU can be demonstrated and is not disputed by any party. Evidence of legal ownership of the land, including the history of land tenure, was verified during this audit. For Lebijaya Sdn Bhd, the land was previously owned by Sabah Land Development, and LSB purchased and developed the land in 1999. Clear land ownership documents were available for review, with original copies kept in the Central Office, Sandakan. Copies of land titles for all estates were also sighted at the LSB Estate office. The LSB estate falls under the jurisdiction of the Kinabatangan District. A review of the documents confirmed that the terms of the land title for all estate cultivations of Oil Palm have been complied with.<br><br><table><tr><th>Land title number</th><th>Lease</th><th>Ha (Estate)</th><th>Condition</th><th>Validity</th></tr><tr><td>CL 095332228</td><td>Lebijaya Sdn Bhd</td><td>250</td><td>Cultivation of oil palm</td><td>01.01.1999 - 31.12.2097</td></tr></table></td></tr>
<tr><td><u>AUDITORS' GUIDE:</u><br>Do the stakeholders include Orang Asli or indigenous people? Refer to AUDITORS' GUIDE IN REPORTING ORANG ASLI MATTERS at the end of this checklist.</td><td></td></tr>
<tr><td>4.4.2 Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:</td><td>YES</td><td rowspan="3">As reported in section 4.4.1 of this checklist, it has been verified that the land is legitimately owned by LSB since 1999. The land was previously owned by Sabah Land Development, and LSB purchased and developed it in 1999. The auditor attempted to contact SLDB to find records of the previous landowner. However, the company stated that the transaction occurred more than 20 years ago, and the records are non-traceable. The SLDB officer assured that there is no issue regarding the transaction, emphasizing SLDB's focus on rural development and confirming the legitimacy of the transaction.<br><br>Furthermore, the auditor contacted the Lahad Datu Land Department, who also confirmed that there is no issue regarding this land, and Lebijaya Sdn Bhd is the sole owner. The audit team has confirmed that there were no land issues related to previous owners.<br><br>Additionally, the audit team conducted interviews with relevant stakeholders, including Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd, and the relevant smallholder. From these interviews, it can be concluded that there is no evidence of any land dispute at LSB.</td></tr>
<tr><td>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.</td><td>YES</td></tr>
<tr><td>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.</td><td>YES</td></tr>
</table>

| 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 section 4.4.1 of this checklist, it has been verified that the land is legitimately owned by LSB since 1999. The land was previously owned by Sabah Land Development, and LSB purchased and developed the land in 1999. The auditor attempted to contact SLDB to find records of the previous landowner. However, the company stated that the transaction occurred more than 20 years ago, and the records are non-traceable. The SLDB officer asserted that there is no issue regarding the transaction, emphasizing SLDB's focus on rural development and confirming the legitimacy of the transaction.<br><br>The auditor further verified this information through a phone call with the Lahad Datu Land Department, who stated that there is no issue regarding this land, and Lebijaya Sdn Bhd is the sole owner. The audit team confirmed that there were no land issues related to previous owners. All related documentation regarding the land acquisition is stored at LSB HQ Office, Sandakan, and a copy in the estate was verified by the auditor. Please refer to the map in Attachment 1 (available in a scale of 1:50,000, issued by the local land authority in 1999 as part of the Land Title document).<br><br>Interviews conducted with relevant stakeholders, including Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd, and smallholder, revealed no issues regarding land with villagers, the local community, and neighboring estates. Hence, the evidence required under this clause was not available. |
| | 4.4.4 All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. | YES | As reported in 4.4.1 of this checklists, it has been verified that the land is now legitimately owned by LSB since 1999 the land was previous owned by Sabah Land Development and LSB has buy and develop the land in 1999. Auditor has make attempt to call the SLDB to found the records of previous land owner and the company stated the transaction happen for more than 20 years ago and the records is non traceable, but the officer stated there is no issue regarding the transaction due to SLDB is for Rural Development and the transaction is legit ,auditor also went through by phone call with Lahad Datu Land Department and there is no issue regarding this land as the Lebijaya Sdn Bhd is currently solely owner of this land. The audit team had confirmed that there were no land issues related to previous owners. All the related documentation regarding the land acquisition was kept in LSB HQ Office, Sandakan and the copy in the estate was verified by the |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | auditor. |
| | 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 | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by LSB. Since 1999, the land was previously owned by Sabah Land Development, and LSB purchased and developed the land in that year. The auditor attempted to contact SLDB to find records of the previous landowner. However, the company stated that the transaction occurred more than 20 years ago, and the records are non-traceable. The SLDB officer mentioned that there is no issue regarding the transaction, emphasizing that SLDB focuses on rural development, and the transaction was legitimate.<br>In addition, the auditor contacted the Lahad Datu Land Department, who confirmed that there is no issue regarding the land, and Lebijaya Sdn Bhd is the sole owner. The audit team has confirmed that there are no land issues related to previous owners. All related documentation regarding the land acquisition is stored in LSB HQ Office, Sandakan, and the auditor verified a copy in the estate. |
| | 4.4.6 There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. | YES | As reported in section 4.4.1 of this checklist, it has been confirmed that the land is legitimately owned by LSB. The land was previously owned by Sabah Land Development until LSB purchased and developed it in 1999. Attempts were made by the auditor to contact SLDB for records of the previous landowner. However, the company indicated that the transaction occurred more than 20 years ago, and the records are not traceable. The SLDB officer stated that there is no issue regarding the transaction, emphasizing SLDB's focus on rural development and confirming the legitimacy of the transaction.<br>Additionally, the auditor contacted the Lahad Datu Land Department, who affirmed that there is no issue regarding this land, and Lebijaya Sdn Bhd is the sole owner. The audit team has verified that there are no land issues related to previous owners. All related documentation regarding the land acquisition is stored at LSB HQ Office, Sandakan, and a copy in the estate was confirmed by the auditor. |
| 4.5<br>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their | 4.5.1 (C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available. | YES | According to the Social Impact Assessment (SIA) Report for LSB and the land title, there have been no new plantings established on local peoples' land. The legitimacy of LSB's ownership of the land since 1999 has been verified, and the audit team confirmed the absence of any land issues related to previous owners.<br><br>Additionally, the audit team conducted interviews with relevant stakeholders, including Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd, and smallholder. Based on these interviews, it can be concluded that there is no evidence of any land dispute at LSB. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions. | 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 section 4.4.1 of this checklist, it has been confirmed that the land is legitimately owned by LSB since 1999. All documentation related to the land acquisition is stored at LSB HQ Office, Sandakan, and a copy in the estate was verified by the auditor. No issues regarding land were identified with villagers, the local community, and neighboring estates.<br><br>The audit team conducted interviews with relevant stakeholders, including Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd, and smallholder. Based on these interviews, it can be concluded that there is no evidence of any land dispute at LSB. Therefore, the evidence required under this clause was not available. |
| | 4.5.3 Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by LSB since 1999. All the related documentation regarding the land acquisition was kept in LSB HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.<br><br>The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder. From the interviews, it can be concluded that there was no evidence of any land dispute at LSB, Hence the evidence required under this clause was not available. |
| | 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 | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by LSB since 1999. All the related documentation regarding the land acquisition was kept in LSB HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.<br>The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder.From the interviews, it can be concluded that there was no evidence of any land dispute at LSB, Hence the evidence required under this clause was not available. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | allocation process. | | |
| | 4.5.5 Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by LSB since 1999. All the related documentation regarding the land acquisition was kept in LSB HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.<br>The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder. From the interviews, it can be concluded that there was no evidence of any land dispute at LSB, Hence the evidence required under this clause was not available. |
| | 4.5.6 Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by LSB since 1999. All the related documentation regarding the land acquisition was kept in LSB HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.<br>The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder. From the interviews, it can be concluded that there was no evidence of any land dispute at LSB, Hence the evidence required under this clause was not available. |
| | 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 | There were no new lands acquired for plantation and mills after 15/11/2018. The current operation area including estate as per stated in the land title |
| 4.6<br>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with thru a documented system that enables | 4.6.1 (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. | YES | The procedure for identifying legal, customary or user rights, and compensation process is incorporated in the SOP – Land Dispute Management dated 2nd January 2020. In accordance with the Land Dispute Management, the procedure for calculating and distributing fair compensation falls within the purview of the HQ Office LSB. The procedure stipulates the involvement of the respective estate management, Land Office, NGOs and the affected parties in the negotiation procedures. |
| | 4.6.2 (C) A mutually agreed procedure for calculating and distributing fair and gender-equal | YES | In accordance with the '*Grievances Procedure' , 'Prosedur Aduan' 'Prosedur Melapor Aduan dan Permasalahan - Pihak Berkepentingan Luaran dan Dalaman'"* dated 1st August 2020 / SOP – Land Dispute Management dated 2nd January 2020, the procedure for calculating and distributing fair |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. | 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. | | and gender-equal compensation (monetary or otherwise) is established. However, there was no issue/case related to this indicator as verified by audit team during consultation with staff and workers at visited 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 | Not applicable since LSB is consider as an Out Grower. |
| | 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 | There was no process and outcomes of any negotiated agreements, compensation and payments to any affected parties. |
| 4.7<br>For new planting, where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements. | 4.7.1 (C) A mutually agreed procedure for identifying people entitled to compensation is in place. | YES | The procedure for identifying legal, customary or user rights, and compensation process is incorporated in the SOP – Land Dispute Management dated 2nd January 2020". In accordance with the SOP – Land Dispute Management, the procedure for calculating and distributing fair compensation falls within the purview of the Land Management Department of at the LSB HQ. The procedure stipulates the involvement of the respective estate management, Land Office, NGOs and the affected parties in the negotiation procedures. |
| | 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 neighbouring estate. The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder. From the interviews, it can be concluded that there was no evidence of any land dispute at LSB, hence the evidence required under this clause was not available. |
| | 4.7.3 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by LSB since 1999. All the related documentation regarding the land acquisition was kept in LSB HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.<br><br>The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder. From the interviews, it can be concluded that there was no evidence of any land |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | dispute at LSB, Hence the evidence required under this clause was not available. |
| 4.8<br>The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights. | 4.8.1 Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by LSB since 1999. All the related documentation regarding the land acquisition was kept in LSB HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.<br><br>The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder. From the interviews, it can be concluded that there was no evidence of any land dispute at LSB, Hence the evidence required under this clause was not available. |
| | 4.8.2 (C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms. | YES | Land conflict is not present in the area of the unit of certification. The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder lou. From the interviews, it can be concluded that there was no evidence of any land dispute at LSB, Hence the evidence required under this clause was not available. |
| | 4.8.3 Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant reqs. (Indicators 4.4.2, 4.4.3 and 4.4.4). | YES | There was no evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations. The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder. From the interviews, it can be concluded that there was no evidence of any land dispute at LSB, Hence the evidence required under this clause was not available. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | 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 | There was no conflict or dispute over the land. It has been further confirmed through interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder Gondilou. From the interviews, it can be concluded that there was no evidence of any land dispute at LSB. |

**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. | NA | Not Applicable since this Assessment is for Small Grower and no Mill has included. |
| | 5.1.2 (C) Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders. | NA | Not Applicable since this Assessment is for Small Grower and no Mill has included. |
| | 5.1.3 (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented. | NA | Not Applicable since this Assessment is for Small Grower and no Mill has included. |
| | 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 | NA | Not Applicable since this Assessment is for Small Grower and This company are assisted by Hap Seng Plantations. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | other support mechanisms where applicable. | | |
| | 5.1.5 Contracts are fair, legal and transparent and have an agreed timeframe. | NA | Not Applicable since this Assessment is for Small Grower and no contractor has appointed since all work has been done internally due to money restrictions. |
| | 5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given. | NA | Not Applicable since this Assessment is for Small Grower and no contractor has appointed since all work has been done internally due to money restrictions. |
| | 5.1.7 Weighing equipment is verified by an independent third party on a regular basis (this can be government). | NA | Not Applicable since this Assessment is for Small Grower, and LEBIJAYA doesn't have Weighbridge, all weighing has been done by Outsider Mill. |
| | 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. | NA | Not Applicable since this Assessment is for Small Grower and This company is assisted by Hap Seng Plantations. |
| | 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. | NA | Not Applicable since this Assessment is for Small Grower and This company is assisted by Hap Seng Plantations. |
| 5.2<br>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. | NA | Not Applicable since this Assessment is for Small Grower and This company is assisted by Hap Seng Plantations. |
| | *AUDITORS' GUIDE:*<br>*1)First, need to confirm whether smallholders are applicable to the CU – MB certified & receiving crops from them, or there is smallholders program in the CU area.*<br>*2)If applicable, then confirm any consultation involving the interested smallholders to know their needs for support to improve their* | | |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | *livelihood and interest in RSPO certification. To report on dates of meetings & participation from the smallholders, and to specify their needs.* | | |
| | 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). | NA | Not Applicable since this Assessment is for Small Grower and This company is assisted by Hap Seng Plantations. |
| | *AUDITORS' GUIDE:*<br>*To report more details on the identified smallholders need and support program available at the CU or develop by the company.* | | |
| | 5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. | NA | Not Applicable since this Assessment is for Small Grower and This company is assisted by Hap Seng Plantations. |
| | *AUDITORS' GUIDE:*<br>*Provide information SPECIFICALLY on the promotion to legalize FFB production (if applicable).* | | |
| | 5.2.4 (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. | NA | Not Applicable since this Assessment is for Small Grower and This company is assisted by Hap Seng Plantations. |
| | *AUDITORS' GUIDE:*<br>*Provide information SPECIFICALLY on the training for pesticide handling.* | | |
| | 5.2.5 The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme. | NA | Not Applicable since this Assessment is for Small Grower and This company is assisted by Hap Seng Plantations. |
| | *AUDITORS' GUIDE:*<br>*To clarify how CU monitors the stakeholders progress – on the smallholder support program.* | | |

## 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<br>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 company has a Sustainable Agriculture Policy dated 03/12/2020, approved by Director, available in English and Malay language and posted on the company notice board at the office. As stated in the policy, the company commits to ensuring equal opportunities in the workplace. Hiring, renumeration, access to training, promotion, termination or retirement will be implemented based on business needs, job requirements and individual qualifications regardless to ethnic origins, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. There is no evidence of discrimination based on feedback provided by sampled employees interviewed.<br>Based on the employee databases shown to the auditor, there were 16 male workers, 3 female workers from IMM13 in LSB at the time of audit. During the housing inspection, an interview session was conducted, and it was found that the workers were aware of the policy communicated during muster briefing and placed publicly in the notice board at housing area and office. It is also being explained during the induction course for the 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.<br><br>*<u>AUDITORS' GUIDE</u>:*<br>*1) Foreign and migrant workers should not pay anything that a local worker is not required to pay, unless mandated by law.*<br>*2)Evidence is available that all statutory payments have been made by the employer.*<br>*3) CU will comply and pay for all statutory payments listed, recruitment fees and processing documentation by registered/ accredited recruitment agent at the respective source country, and transportation (flight ticket) from sending country to entry point and return upon completion of the contract.*<br>*4) To sample new and existing employees for interview during audit. Try different batches, different races & countries. To find out specific information on any payment paid by workers including the recruitment fee, and any potential* | YES | Apart from the indicator 6.1.1 policy which states that all employees shall be treated equally, there is also no evidence that there has been any form of discrimination against any employee, or group of employees. As confirmed by the workers during interviews and field observation, payment of wages/salaries, provision of housing and access to benefits and amenities is fair based on observation, review of pay checks, contracts of employment. The company currently does not have foreign workers. They use workers that use IMM 13, therefore, there were no recruitment fees incurred in the recruitment processed. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | *of debt bondage applied to workers.*<br>*5) Check the details of contract agreement between employer & agency and the workers & agency. To sample contract agreement for new and existing employees. They may have changes and updates, and caused different issues.*<br>*6) CU needs to have clear company policy on this, and it may be provided in the company recruitment procedure.* | | |
| | 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 | Based on interview with the estate managements including documentation review (interview assessment and medical report), recruitment selection, hiring and promotion are based on suitable job vacancies, experience, qualification/skill and medical fitness appropriate for the job. Interview of candidates will be done by Estate Manager where an evaluation form is filled up to determine the suitability of the candidate. These documents are contained in the workers' personal files. Among the sampled documents sighted belonged to the following workers as per indicator 6.2.1. |
| | 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 | Currently, there were 3 female workers at LSB. Feedback from interviewed, there are no pregnant worker at the time of audit. Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. |
| | 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.<br>*AUDITORS' GUIDE:*<br>*1)The appointed person shall also understand and be willing to conduct his/her duty as the workers representative. This need to be confirmed via interviews. Can also review the appointment letter/JD of that personnel.*<br>*2)To confirm that the activities beneficial to the gender committee members are in place.* | YES | The number of female workers hired by LSB was not significant enough to form a gender committee. Nevertheless, the estate managed to establish a gender committee and communicated the latest updates on 22/08/2023 through a meeting. The purpose of the committee is to raise awareness, identify and address issues of concern, as well as explore opportunities and improvements for women, including dependents. |
| | 6.1.6 There is evidence of equal pay for the same work scope. | YES | There is no discrimination based on religion, gender, nationality, etc., during the recruitment process. Hiring decisions are made based on skills, capabilities, medical fitness, and other relevant qualifications. This commitment was affirmed during stakeholder consultations, worker interviews, complaints recorded in the book, and |

<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>meetings with worker representatives. Notably, the job description for each worker remains consistent, irrespective of factors such as skin color, religion, race, or caste. Equality in pay is evident through the pay slips of December 2022, January 2023, October 2023, November 2023 reviewed for 19 workers.</td></tr>
<tr><td>6.2<br>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).</td><td>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.<br>AUDITORS' GUIDE:<br>1)Appropriate language is made available – Bahasa Malaysia, English and language understood by all workers or their representative.<br>2)Workers – local/ foreign/ contractors/ Orang Asli, male & female.<br>3)Get confirmation from workers that the above documentation is made available to them, and they understand the content.</td><td>YES</td><td>For the CU, pay documentation takes the form of monthly pay slips, and the conditions of pay are outlined in the respective employment contracts of the workers. Samples of the monthly pay slips (December 2022, January 2023, October 2023, November 2023 ) and employment contracts were made available and reviewed. Labour laws, detailing payments and other conditions, were provided in languages understood by the workers and explained to them by management during the induction process.<br>Each pay slip includes the employee's name, month of pay, income breakdown (basic pay, overtime, allowances), and any deductions, if applicable. Interviews with workers revealed that they understand the contents of the pay slips and seek clarification from the office whenever needed. Samples of pay slips for 19 workers were also examined and verified to ensure that workers were being paid in accordance with the requirements stipulated under the Minimum Wages Order 2022 and the Sabah Labour Ordinance. The workers sampled for verification.
<table>
<tr><th>No</th><th>Name</th><th>Document No.</th><th>Nationality</th><th>Designation</th><th>Sex</th></tr>
<tr><td>1</td><td>Worker 1</td><td>IP-12091-4521</td><td>Philippine</td><td>Mandore/Driver</td><td>M</td></tr>
<tr><td>2</td><td>Worker 2</td><td>IP-12091-6523</td><td>Philippine</td><td>Driver</td><td>M</td></tr>
<tr><td>3</td><td>Worker 3</td><td>IP-12091-9022</td><td>Philippine</td><td>Driver</td><td>M</td></tr>
<tr><td>4</td><td>Worker 4</td><td>IP-12091-8855</td><td>Philippine</td><td>Excavator Operator</td><td>M</td></tr>
<tr><td>5</td><td>Worker 5</td><td>IP-12091-3214</td><td>Philippine</td><td>General Worker</td><td>M</td></tr>
<tr><td>6</td><td>Worker 6</td><td>IP-12091-4102</td><td>Philippine</td><td>Genset Operator</td><td>M</td></tr>
<tr><td>7</td><td>Worker 7</td><td>IP-12091-4233</td><td>Philippine</td><td>Sprayer</td><td>F</td></tr>
<tr><td>8</td><td>Worker 8</td><td>IP-12091-9915</td><td>Philippine</td><td>Sprayer</td><td>M</td></tr>
<tr><td>9</td><td>Worker 9</td><td>IP-12091-8845</td><td>Philippine</td><td>Harvester</td><td>M</td></tr>
<tr><td>10</td><td>Worker 10</td><td>IP-12091-9022</td><td>Philippine</td><td>Harvester</td><td>M</td></tr>
<tr><td>11</td><td>Worker 11</td><td>IP-12091-9989</td><td>Philippine</td><td>Harvester</td><td>M</td></tr>
<tr><td>12</td><td>Worker 12</td><td>IP-12091-6428</td><td>Philippine</td><td>Harvester</td><td>M</td></tr>
<tr><td>13</td><td>Worker 13</td><td>IP-12091-9632</td><td>Philippine</td><td>Harvester</td><td>M</td></tr>
<tr><td>14</td><td>Worker 14</td><td>IP-12091-3356</td><td>Philippine</td><td>Harvester</td><td>M</td></tr>
<tr><td>15</td><td>Worker 15</td><td>IP-12091-9005</td><td>Philippine</td><td>Harvester</td><td>M</td></tr>
</table></td></tr>
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<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><td>16</td><td>Worker 16</td><td>IP-12091-7412</td><td>Philippine</td><td>Harvester</td><td>M</td></tr>
<tr><td>17</td><td>Worker 17</td><td>IP-12091-7722</td><td>Philippine</td><td>Harvester</td><td>M</td></tr>
<tr><td>18</td><td>Worker 18</td><td>IP-12091-4322</td><td>Philippine</td><td>General Worker</td><td>F</td></tr>
<tr><td>19</td><td>Worker 19</td><td>IP-12091-5201</td><td>Philippine</td><td>General Worker</td><td>F</td></tr>
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</td></tr>
<tr><td></td><td>6.2.2 (C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.<br><br><u>AUDITORS' GUIDE:</u><br>1) To request for the CH to prepare contracts/employment records between recruitment agencies and the employer (HQ). The document is needed during the audit.<br>2) To review contracts/employment offer letters signed by migrant workers in their respective country at the time of hiring.<br>3) Contract agreement must be available in the workers national language.<br>4) If (3) is not available, seek documented evidence that the contract agreement has been explained by the management official via interview with workers, training records etc.<br>5) Consider several job positions in overtime sampling e.g. harvesters, creche nanny, nursery, bunch grader.<br>6) Maternity leave shall be applicable to every worker, be it local or foreign female employees.<br>7)To include queries on application of annual leave and Annual Leave Pay (ALP), to ensure workers understanding.</td><td>YES</td><td>Contracts and conditions of employment are contained in employment contracts signed between the management on one hand, and their workers on the other. The employment contracts sampled were prepared in Bahasa. Among others, the contracts defined the regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.<br>Conditions of pay are contained in the workers' respective employment contracts. Labour laws, detailing payments and other conditions, was made available in the languages understood by the workers and explained to them by a management staff during induction.<br><br>Each payslip includes detailed information on payments and conditions, such as the employee's name, the month of pay, working hours, sick leave, holiday entitlement, and income breakdown (basic pay, overtime, allowances). It also outlines any deductions, if applicable. In interviews with workers, it was found that they comprehend the contents of their payslips and seek clarification from the office when needed. Samples of payslips for 19 workers were reviewed, confirming that workers are being remunerated in compliance with the requirements outlined in the Minimum Wages Order 2022 and the Sabah Labour Ordinance.</td></tr>
<tr><td></td><td>6.2.3 (C) There is evidence of legal compliance for regular working hours,</td><td>YES</td><td>There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, and reasons for dismissal, period of notice</td></tr>
</table>

| Clause | Indicators | Comply Yes/No | Findings |
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| | deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.<br><br>*AUDITORS' GUIDE:*<br>*1) All claims need to be checked and confirmed i.e., information collected from the interview session (positive & negative) vs documentation maintained by the company.* | | and other legal labour requirements in the CU Letter of Employment Offer to its workers.<br>The CU has complied with legal requirements of Sabah Labour Ordinance on regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.<br>The working hours as per regulation was for 8 hours and 0.5 hours break in the between the time. The time for break at the Estate is 1030-1100am. For overtime, it has been mutually agreed upon between the management and workers and met the legal requirements. Overtime will be offered when there is additional job and no discrimination observed. It has been verified during this audit that all the above conditions were being complied with. This was from verification on Checkroll, Payslips and Contract of Employment (Letter of Employment Offer) for the workers. |
| | 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.<br><br>*AUDITORS' GUIDE:*<br>*1) Medical care and facilities shall be available for the employees, be it local or foreigners i.e. medical assistance, pregnancy checkup, child delivery through registered medical practitioner and vaccination.*<br>*2) HUMANA or Child Learning Centre is available for workers' children who are ineligible to attend government school.*<br>*3) Recreational facilities such as children playground, football/futsal field, badminton court, praying facilities etc shows the employer considerations to good living condition for the workers and their families.* | YES | The CU has provided adequate housing, water supplies, medical and welfare amenities.<br>The houses were all in good condition, and each house has between 2 – 3 bedrooms. The houses are generally well-maintained with not more than 6 people live in each house. They are also furnished with necessities such as cupboard, mattresses, pillows and cooking facilities. Workers interviewed confirmed that the houses and amenities provided are adequate, comfortable and requests for repairs were attended to in a timely manner.<br>Housing inspection was conducted weekly by the field supervisor and using the *"Residential & Utility Buildings Inspection Report*". Any issues found during the inspection were noted down in the checklist and action will be taken accordingly.<br>The workers are entitled to free medical facilities at the Hap Seng Estate clinic. The CU has made arrangement with Hap Seng Plantation Management to debit it for treatment received by its workers.<br><br>However, the creche (a nursery or day care center) requires improvement and the provision of reasonable levels of decency and comfort, including a stable source of electric supply during its childcare operations. Furthermore, the estate needs to enhance the children's educational system by ensuring that children can be properly enrolled in a registered school or learning center for future study purposes. |

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<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td>6.2.5 The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</td><td>YES</td><td>There is no grocery shop available in the CU, however the management has the initiative to collect the order from workers and buy from supermarket outside for food and everything. Sometimes workers also buy the food and groceries at nearby Plantation estate e.g., Hap Seng Litang Estate and Bukit Mas Estate for First Raintree Division and IOI Unico Desa at Harus Abadi Main division. Sometimes workers also go to Lahad Datu for buy their food. They also have access to affordable food from close by Litang Estate canteen/sundry shops.</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.<br><br>PROCEDURAL NOTE:<br>A written policy with specific implementation plan, committing to payment of a “decent living wage” is in place.<br>The implementation plan with specific targets, and a phased implementation process will be in place, including the following:<br>• An assessment is conducted to determine prevailing wages and in-kind benefits already being provided to workers.<br>• There is annual progress on the implementation of living wages<br>• 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.<br>• The unit of certification may choose to implement the “living wage” payment in a specific section as a pilot project; the</td><td>YES</td><td>LSB had calculated the prevailing wages and in-kind benefits for their workers. The calculation included housing, electricity, water, transport to work, sports and recreation facilities, education, childcare and healthcare. The breakdown of the prevailing wages calculation as follows:<br><br><table><tr><th></th><th>Local worker (RM)</th><th>Foreign worker (RM)</th></tr><tr><td>Total cost of in-kind benefits per worker</td><td>355.59</td><td>355.59</td></tr><tr><td>Average monthly take-home salary per worker</td><td>1,340.39</td><td>1,500.00</td></tr><tr><td>Total prevailing wages</td><td>1,695.98</td><td>1,855.59</td></tr></table><br>The auditor had verified the calculation via the calculation was in line with RSPO Guidance on Calculation Prevailing Wages.</td></tr>
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| Clause | Indicators | Comply Yes/No | Findings |
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| | pilot will then be evaluated and adapted before an eventual scale-up of the living wage implementation<br>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 | At the current employment, core tasks such as harvesting, manuring, and spraying are carried out by permanent and full-time workers. There are no temporary workers or contractor workers were employed at the CU. |
| 6.3<br>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 | The CU has subscribed to the documented policy on Freedom of Association and Right to Collective Bargaining, signed on 03/12/2020. This Policy is available in dual language, i.e. Bahasa Malaysia and English and it recognizes and respects of employees to join trade union of their choice and to bargain collectively subject to the provisions of relevant national legislations.<br>The policy was explained to all workers during morning muster and demonstrably implemented in the Workers Representative Committee (JCC). The JCC implemented for the employees to speak freely, and the meeting will be conducted once a year. Interviews with workers they 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 in the CU, workers had appointed their own representatives to sit on the Workers Representative Committee. The Workers' Representative Committee (JCC) is comprised of worker and management representatives. Minutes of the JCC meetings were documented, sighted and verified dated 11/09/2023. They have appointed workers leader. |
| | 6.3.3 Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.<br>*AUDITORS' GUIDE:*<br>*1)To ensure that the appointment of workers representative for workers union/labour organizations/JCC, for all workers including migrant and contract workers are freely* | YES | Interviews with the workers' representatives in the CU confirmed that the management did not interfere in the formation of the association. All representatives were freely elected by the workers through a confirmed election process, as conferred during the interview session. Evidence of the election, as well as appointment letters, was observed. The workers' representatives include individuals representing gender, nationality, and ethnicity. |

| Clause | Indicators | Comply Yes/No | Findings |
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| | *appointed by the workers themselves.*<br>*2)The appointed person shall also understand and be willing to conduct his/her duty as the workers representative. This need to be confirmed via interviews.* | | |
| 6.4<br>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 established on 03/12/2020 and publicly available at the notice board. The policy statements emphasized on child under 18 years must not be employed to work in hazardous areas. This policy is posted on notice boards in the housing and estate office. Audit team has verified employment card, copies of identification of IMM13 workers. No record of person's underage of eighteen at the CU. |
| | 6.4.2 (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure. | YES | There is evidence confirming that the minimum age requirements are met at the CU. No evidence was found indicating that the CU has employed anyone under the age of 18 years. This was verified by scrutinizing the Workers Master Lists, personal files, employment contracts, and payslips of all workers, where details such as the workers' IC numbers and dates of birth are available. The absence of any indication that the CU had employed anyone below the age of 18 years. |
| | *AUDITORS' GUIDE:*<br>*1) Apart from the legal requirement applicable in the geographical location (peninsular, Sabah, Sarawak), to crosscheck with the internal policy/directive establish by the company.* | | |
| | 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 was found indicating that the CU has employed anyone below the age of 18 years. |
| | 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 unit of certification effectively communicates its commitment to a no-child-labor policy, highlights the adverse effects of child labor, and promotes child protection to supervisors, key staff, smallholders, FFB suppliers, and communities where workers reside. This communication occurs through stakeholders' consultations, including Joint Consultative Committee (Estate Level) meetings held on 17/08/2023 and a joint session with HSPB groups on 22/12/2021. |
| | *AUDITORS' GUIDE:*<br>*1) No child is allowed at workplace.*<br>*2) Sampled relevant communication records between the employer, workers and the nursery/creche PICs.*<br>*3) Check operating hours of the nursery/rcreche.* | | |

| Clause | Indicators | Comply Yes/No | Findings |
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| 6.5<br>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.<br>*AUDITORS' GUIDE:*<br>*1) There must be a policy statement and the communication shall be evident. Interview shall be carried out to confirm understanding and awareness.* | YES | The policy to prevent sexual and all other forms of harassment and violence was implemented under Sustainable Agriculture Policy statement dated 03/12/2020. The policy is displayed on the notice boards at the CU notice board offices and housing area. As at todate, there is no evidence or acts that contradict this policy were observed as interviewed the women workers. Nevertheless, the estate managed to establish a gender committee and communicated the latest updates on 22/08/2023 through a meeting. The purpose of the committee is to raise awareness, identify and address issues of concern, as well as explore opportunities and improvements for women, including dependents. |
| | 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.<br>*AUDITORS' GUIDE:*<br>*1) There must be a policy statement and the communication shall be evident. Interview shall be carried out to confirm understanding and awareness.* | YES | The CU has developed a Sustainable Agriculture Policy statement dated 03/12/2020, which includes provisions for the protection of the reproductive rights of all workers. The Labour Standard specifies that the company acknowledges the rights of employees to reproduction and reproductive health, granting them the right to make decisions regarding reproduction. Through interviews with female workers, evidence indicates that this standard is being implemented, with female workers entitled to 60 days of paid maternity leave, and pregnant women assigned lighter duties.<br>The estate effectively communicated the latest updates on 22/08/2023 through a meeting with the management. Interviews conducted with female employees further confirmed their awareness of this policy and its successful implementation. |
| | 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 | There is no new mother at the CU. Thus, this indicator not applicable. |
| | 6.5.4 A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce. | YES | The company has a Grievance Procedure dated 04/01/2021 was made available in both English and Malay languages, which include grievance procedure process flow charts for external and internal stakeholders. The procedure states that grievances from internal stakeholders shall be resolved within 7 working days while complaints from external stakeholders shall be acknowledged within 7 working days and resolved within 30 days. The procedure allows all stakeholders to communicate to management either by phone, email, letter or complaints form. The procedure states a commitment to ensuring the anonymity of complainants, Human Rights Defenders, community spokes persons and whistleblowers where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.<br>Records of complaints received from internal stakeholders are recorded in the Grievance Logbook for Internal stakeholders. For year 2023, all complaints received were only related to damaged housing facilities that needed repair, and it is confirmed by workers that all complaints were addressed in a timely manner. This communication also occurs |

| Clause | Indicators | Comply Yes/No | Findings |
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| | | | through stakeholders' consultations, including Joint Consultative Committee (Estate Level) meetings held on 17/08/2023 and a joint session with HSPB groups on 22/12/2021. |
| 6.6<br>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:<br>• Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes)<br>• Charging the workers for recruitment fees<br>• Contract substitution<br>• Involuntary overtime<br>• Lack of freedom of workers to resign<br>• Penalty to the workers for termination of employment<br>• Debt bondage<br>• Withholding of wages | YES | All workers in the CU have entered employment voluntarily via walk in process; it was verified during the interview with all IMM13 workers. None were brought in directly from Philippine by the company or employed through recruitment agencies, hence they did not pay any recruitment fees, debt bondage and withholding of wages. The CU had not withheld workers identify documents as verified during worker's interviews. Workers also confirmed that there is no involuntary overtime as work is paid on piece rate basis and working hours is limited to 8 hours a day with no work on rest days. They understand that in their contract, if they resign from the CU prior to 14 days of notice, they will not have debt of bondage. |
| | 6.6.2 (C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.<br>*<u>AUDITORS' GUIDE:</u>*<br>*1) To check the policy statement of the labour policy and to confirm the employer commitment and the implementation in safeguarding this policy.*<br>*2) To request for "Procedure in Handling Foreign Workers". Check whether the establish procedure is practical and complying to the legal requirements i.e. recruitment process, training, benefits, probation, payment of wages, renewal and management of permit/passport etc.*<br>*3) The implementation of the policy and procedure shall be supported with appropriate records.* | YES | The CU has established a Foreign Workers Policy Statement under the Sustainable Agriculture Policy dated 03/12/2020. The policy stipulates that all foreign employees should be treated fairly in terms of recruitment, terms and conditions of work, and provided with decent living conditions. The company strictly adheres to no contract substitution, among other provisions. The CU maintains a specific procedure/flowchart for the employment of foreign workers, which is implemented for any foreign worker-related employment. The company ensures no contractor substitution and no discrimination against foreign workers.<br>Moreover, the company currently does not have foreign workers. They use workers that use IMM 13, therefore, there were no recruitment fees incurred in the recruitment processed. |
| 6.7 | 6.7.1 (C) The responsible person(s) for | YES | Managing Director of Lebijaya were appointed as responsible person(s) for safety and |

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<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td rowspan="2">The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</td><td>H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.<br><br><u>AUDITORS' GUIDE:</u><br>1)To check on mechanism in place on how to detect issues related with H&S – walk thru survey, you see you act, inspection checklist etc.</td><td></td><td>health issues and chairman for OSH Committee. She subsequently assigned duties of OSH coordinator to the Manager or clerk for the downline implementation of OSH practices in the estate. All identified person incharge were officially given a letter for such an appointment. Records of regular meetings between the responsible person and workers to discuss health and safety have been verified to the satisfactory maintained.<br>The Occupational Safety Health (OSH) Committee has been established. The OSH committee organization chart for 2023 was available. The managing Director of Lebijaya Sdn Bhd is the chairman, and the clerk is the secretary. OSH Committee meetings confirmed that among the agenda discussed, included the following:<br>▪ Passing of previous minutes and arising matters.<br>▪ Concerns of all parties about health, safety and welfare<br>▪ Accident report (Monthly Data of Mill/Estate Safety Performance)<br>▪ Workplace inspection<br>▪ Safety report and programme<br><br>OSH Committee meetings were held once in three months. Review of the minutes of the meeting:<br><table><tr><th>Items</th><th>date</th></tr><tr><td>OSH meeting 4</td><td>07/12/2023</td></tr><tr><td>OSH meeting 3</td><td>08/09/2023</td></tr><tr><td>OSH meeting 2</td><td>08/06/2023</td></tr><tr><td>OSH meeting 1</td><td>08/03/2023</td></tr></table></td></tr>
<tr><td>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.</td><td>YES</td><td>Emergency Response Plan (ERP) was established. Copies of procedures and telephone numbers were sighted on notice boards and muster grounds. Among of procedure of ERP Document, "Pelan Tindakan menghadapi kecemasan kebakaran kemalangan dan kederaan, tumpahan dan pencemaran, keracuanan racunn dan banjir". Sighted an evidence training has been conducted to all employees on date 21/09/2023.<br>Accident and emergency procedures were available and updated at the estate has been samples. During the site visit, it was sighted Emergency Response Plan was available at Chemical Store, Workshop and Lubricant Store. During interviews with workers, it was noted that all workers understand regarding ERP.<br><br>Site inspection at harvesting operation, workshop, chemical & fertilizers store, noted on evidence that first aid kit is available at all works place with complete contents and no medication with expired date. The stock of first aid boxes is regularly checked and refill, when necessary, by Manager.<br><br>Accident statistics were being maintained in a satisfactory manner and periodically</td></tr>
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| Clause | Indicators | Comply Yes/No | Findings |
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| | | | reviewed. Accident/injury records were recorded using Lost Time Accident Frequently Rate (AFR) by monthly basis. A quarterly review of accident cases had been carried out during the quarterly OSH committee meeting. |
| | 6.7.3 (C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing. | YES | All staff and workers such as the sprayer, harvesters and general workers were continuously trained in safe working practices including SOP for PPE related to their job function. Appropriate PPE were given to workers based on HIRARC and SOP recommendations suitable for the job position or hazardous operation undertaken. This was verified in the PPE issuance records viewed. During site visit at harvesting operation, and upkeep activities, sighted they were seen to wearing PPE such as face masks respirators, goggles, rubber boots, nitrile/cotton gloves, apron and hard hat, to cover all potentially hazardous operations. The condition of each PPE item and their validity lifespan were found good. Interview of workers showed they know when to change to a new set, either by expiry date or when they are damaged or rendered ineffective |
| | 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.<br>*AUDITORS' GUIDE:*<br>*1) To ensure that there is no gap in between the period of the renewal of permit and the actual submission of application. It is to confirm that the workers, including foreign are covered by insurance at all times.* | YES | Medical care and accident insurance is provided to all employees. Costs incurred from work-related incidents leading to injury or sickness are covered by Chubb Insurance Malaysia Berhad and the policy period valid until 12/08/2024 for 23 general workers. |
| | 6.7.5 Occupational injuries are recorded using Lost Time Accident (LTA) metrics. | YES | The occupational injuries are recorded using Lost Time Accident (LTA) metrics. Based on JKKP 8 form dated 07/01/2023, sighted there is 64368 total hours work for year 2022 was recorded or declared in the JKKP 8 via MyKKP System. Thus, previous NCR was satisfactory closed. |

**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 | 7.1.1 (C) IPM plans are implemented and | YES | The estate continues to implement biological control for the oil palm pest in the plantation |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques. | monitored to ensure effective pest control.<br>*AUDITORS' GUIDE:*<br>*1) To ensure IPM activities are viewed and sampled during the onsite visit.*<br>*2) Pay attention to potential pest issues and indicators such as the use of rat baits, bagworm infestation, barn owl and the use of beneficial plants at site.* | | such as leaf eating pest and rats among others. IPM techniques applied at the estate include monitoring of pest numbers and the use of triggers for initiation of control measures. Census records show that there was minimal outbreak of rats, monkey and Ganoderma. Although there no outbreaks of leaf eating pests, beneficial plants are being established to attract natural predators and further reduce the outbreak. Beneficial plants such as Turnera subulata are grown in the estate and their records of planting in new areas and maintenance of existing areas of beneficial plants and location maps are available. Rat damage and Ganoderma census was regularly carried out to obtain information about threshold level and action to be taken thereafter. The records of census rat (averaging fruitlet damage < 2%) where available for verification. |
| | 7.1.2 Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented. | YES | There were no species referenced in the Global Invasive Species database and CABI.org within the LSB. |
| | 7.1.3 There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with prior approval of government authorities. | YES | No record of using fire as pest control in the LSB, verification by interview and site verification. |
| 7.2<br>Pesticides are used in ways that do not endanger health of workers, families, communities or the environment. | 7.2.1 (C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritized. | YES | Justification of pesticides applied is available in the Agricultural Manual, Section 2.0: Integrated Pest Management and Section 4.0: Upkeep of Mature Oil Palms. The use of pesticide is specific to the targeted pest, weed and disease. Justification takes consideration to minimize effect on non-target species. It includes Glyphosate, Metsulfuron methyl, Triclopyr and 2,4 Amine. In addition to the above, LSB Sustainable Agriculture Policy dated 03/12/2020 under item 1 Environment and Biodiversity, states that: No use of paraquat policy is practiced. The use of other Class 1 Chemicals (such as metamidophos and monocrotophos) approved by the Pesticides Board and included in the MPOB list of approved Pesticide for use in oil palm plantations can only be carried out under strict supervision and in absolutely necessary circumstances such as severe outbreak and critical pest infestation, and, with special method of application specified in the Highly Toxic Pesticides Regulation 1996 of the Pesticides Act 1974, after authorization has been received from relevant authorities. |
| | 7.2.2 (C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active | YES | LSB had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications per ha. Pesticides are used only when justified and areas used are recorded in bin cards, |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | ingredients applied per ha and number of applications) are provided. | | program sheets, chemical register, cost books. Records of pesticides used were available for verification. |
| | 7.2.3 (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans. | YES | Based on chemical register dated 01/08/2023 and site visit, no prophylactic use of pesticides used in the estate. |
| | 7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines. | YES | Not applicable because LSB doesn't used pesticides Class 1A or Class 1B. This was justified through chemical register and site visit at chemical store. Based on pesticides usage records also, there was no evidence on Class 1A or 1B used. |
| | 7.2.5 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to: | YES | Not applicable because LSB doesn't used pesticides Class 1A or Class 1B. This was justified through chemical register and site visit at chemical store. Based on pesticides usage records also, there was no evidence on Class 1A or 1B used. |
| | 7.2.5a Judgment of the threat and verify why this is a major threat. | NA | Not applicable because LSB doesn't used pesticides Class 1A or Class 1B. This was justified through chemical register and site visit at chemical store. Based on pesticides usage records also, there was no evidence on Class 1A or 1B used. |
| | 7.2.5b Why there is no other alternative which can be used. | NA | Not applicable because LSB doesn't used pesticides Class 1A or Class 1B. This was justified through chemical register and site visit at chemical store. Based on pesticides usage records also, there was no evidence on Class 1A or 1B used. |
| | 7.2.5c Which process was applied to verify why there is no other less hazardous alternative. | NA | Not applicable because LSB doesn't used pesticides Class 1A or Class 1B. This was justified through chemical register and site visit at chemical store. Based on pesticides usage records also, there was no evidence on Class 1A or 1B used. |
| | 7.2.5d What is the process to limit the negative impacts of the application. | NA | Not applicable because LSB doesn't used pesticides Class 1A or Class 1B. This was justified through chemical register and site visit at chemical store. Based on pesticides usage records also, there was no evidence on Class 1A or 1B used. |
| | 7.2.5e Estimation of the timescale of the | | Not applicable because LSB doesn't used pesticides Class 1A or Class 1B. This was |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | application and steps taken to limit application to the specific outbreak. | NA | justified through chemical register and site visit at chemical store. Based on pesticides usage records also, there was no evidence on Class 1A or 1B used. |
| | 7.2.6 (C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out. | YES | The estate has the SSOP for use of PPE during working. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issue and replacements records were verified by the auditors. Observed during site visit, the PPE provided to the operators such as google, face respirator, nitrile hand glove, rubber boot and apron. Additionally, the operators involved with pesticides have been given training regarding the usage safety and health issue and proper way for chemical application by the estate manager and chemical supplier with knowledge on chemical handling and applications. Latest training on pesticides/chemical handling was carried out on 22/9/23. |
| | 7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices. | YES | In LSB, all pesticides were stored in compliance with legal requirements, following the Occupational Safety and Health Act 1994 (Act 514) and the Pesticides Act 1974 (Act 149) and Regulations, as well as the recommendations by manufacturers outlined in the applicable Material Safety Data Sheets (MSDS). The chemical and fertilizer stores, equipped with cemented floors and roofing, are locked and handled only by authorized personnel, namely the storekeeper. During the inspection, the stores in the estate were well-ventilated with no noticeable chemical odors.<br><br>Chemicals were arranged and segregated by type, with fertilizers being well-stacked. The stores featured showers, wash areas, and a Personal Protective Equipment (PPE) storage section. Adequate safety signage was placed both internally and externally. A designated premixing area with eye wash facilities and bathing areas was available on the estate. Wastewater from washing empty chemical containers and PPE, as well as chemical mixing, was reused to prevent any contamination of chemicals to the ground.<br>All information regarding chemicals and their usage, hazards, trade, and generic names were available in both English and, in most cases, Bahasa Malaysia, and were understood by workers. Safety Data Sheets (SDS) for relevant pesticides were provided in both languages. Information about agrochemical use by estate workers, mainly conveyed through morning muster and the use of Safety Pictorial posters, was understood by all workers interviewed during spraying activities and fertilizer application. Training records verified that training in chemical handling, especially for sprayers, had been conducted to disseminate correct information and ensure understanding of the usage and hazards of agrochemicals. |
| | 7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if | YES | All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes. Disposal of empty pesticide containers were carried out as per established |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | used for other purposes. | | procedures. Triple rinsing activities was continually implemented for empty pesticide containers. 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. Records on usage and disposal were well recorded and documented. |
| | 7.2.9 (C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying. | YES | Aerial spraying was not practices by LSB. There was no evidence to show that aerial spraying was carried out. |
| | 7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.<br>*AUDITORS' GUIDE:*<br>*1) Please note that this requirement is mandatory and not depending on the recommendation made by a CHRA assessor.*<br>*2) Immediate treatment needed for non-occupational disease (non-working related), hence, to enquire about any programs in-place initiated by the company to manage medical illness i.e., high BP, sugar, etc.* | YES | CHRA has been conducted by Utlus Venture (M) Sdn. Bhd., a DOSH appointed assessor on 18/02/2020. The assessment has been carried out for 4 work units which use chemicals such as: Pesticides Applicator, Fertilizer Applicator, Workshop Worker and Pesticides & Fertilizer Storekeeper<br><br>All workers involved with pesticides were carried out the medical surveillance were sent to Klinik Mabello (Jeroco) Sdn. Bhd. and checked by OHD on 31/10/2023 and 10/11/2023 for 2 workers. From the result, both workers fit to handle chemical. |
| | 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 | Pregnant and breast-feeding women are not allowed to work with pesticides and hazardous chemicals in LSB. This instruction was tabulated in SSOP Chemical Spraying and OSH USECH Regulation 2000, Medical Removal Protection No.28 3b. There was no evidence of pregnant and breast-feeding women sprayers performed spraying activity in the estate. Workers interviewed were aware that pregnant and breast-feeding women should not handle chemicals. Auditor also interview with sprayers they have a medical surveillance once a year. |
| 7.3<br>Waste is reduced, recycled, reused and disposed of in an environmentally and | 7.3.1 A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented. | YES | Waste management and disposal plan to avoid or reduce pollution had been documented. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution during routine operation. In estate, domestic waste from the housing area is well managed and all domestic wastes are disposed at landfill sited in the estate area. Sighted the there is no practice of open fires within LSB. Monitoring is done weekly in both domestic |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| socially responsible manner. | | | waste collection areas and in landfill sites. |
| | 7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated. | NO | Standard Operating Procedure Waste Disposal has been established in "Waste Management Plans" reviewed on 11/12/2023. The documentation and identification of all waste product such as scheduled wastes, domestic wastes, clinical wastes, recyclable wastes such as metal, tins, plastics, bottles, mill wastes and polluting material. Disposal of empty pesticide containers were carried out as per established procedures. Triple rinsing procedures was continually implemented for empty pesticide containers. The rinsed containers were then pierced and stored prior disposal. Records on usage and disposal were well recorded and documented. Each house was provided with dustbin. The wastes were removed weekly and disposed via landfill.<br><br>SW not yet disposed related to low in inventory stocks, sighted application to DOE for extend the period of inventory on date 27/11/2023 and currently status in DOE process.<br><br>However, during site visit at housing complex's (Block D) was sighted domestic waste such as bottle, food waste, etc was not managed accordingly and has been throw at the back of housing areas, thus **#Minor NCR RAR 02 2023 has been raised.** |
| | 7.3.3 The unit of certification does not use open fire for waste disposal. | YES | During site visit at LSB, there was no evidence of open fire has been used for waste disposal. All domestic wastes (household and food waste only) at LSB has been disposed via landfill located at block 4. |
| 7.4<br>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.<br><br>*AUDITORS' GUIDE:*<br>*1) Be observant.*<br>*2) To ensure that site sampling includes GAP activities and indicators such as soil erosion, absence of vegetative growth (bare land), nutrient deficiency, upkeep of furrow and watering system, nutrient recycling activities, road condition etc.* | YES | The LSB continued to use and implement Standard Operating Procedures (SOPs) for each process. Brief versions of the SOP were displayed at appropriate locations, and copies of the documented SOP were presented to the audit team. It was observed that activities involving safety, health, environmental quality, and employees followed the established SOP.<br>i. Safe and Standard Operating Procedures (SSOP) updated in January 2022.<br>ii. Agricultural Manual.<br><br>LSB operations were guided by manuals and SOPs. Procedures documented in the Agricultural Manual were disseminated to staff/workers through morning briefings and training. The documents covered all estate operations from seedlings in the nursery to the planting of young palms and plantation upkeep. Site inspections and interviews with workers confirmed that the SOPs had been implemented, and they understood the requirements, emphasizing Good Agricultural Practices and the care for their safety, health, and the environment's continued to manage and improve soil fertility to a level ensuring optimal and sustained yield by monitoring fertilizer inputs through annual applications. |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | Sustaining soil fertility is guided by organizational SOPS. The fertilizer application process follows a flow chart titled 'Fertilizer Application,' which is of utmost importance for soil maintenance. It commences with an agronomist from HSP visiting for leaf sampling to determine nutrient levels. Subsequently, calculations are made for fertilizer input to maintain/improve nutrient levels at the desired level. |
| | 7.4.2 Periodic tissue and soil sampling is carried out to monitor and manage changes in soil fertility and plant health. | YES | Periodic tissue and soil sampling were conducted in the estate to monitor changes in nutrient status, and the results formed the basis for fertilizer input recommendations. Soil analysis provided an indication of soil health, monitoring changes in organic carbon and total nitrogen. Leaf and soil nutrient analyses are commonly used to diagnose fertilizer requirements in oil palms. Leaf sampling is conducted every year, while soil sampling is done at 5-year intervals. The latest soil sampling was carried out on 11/09/2020 by the Central Laboratory of HSP. The most recent leaf sampling, conducted on 15/07/2022, informed the fertilizer recommendations for FY 2023. |
| | 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 | LSB had a nutrient recycling strategy in place which included stacking pruned fronds in the respective fields to decompose, grass cutting harvesters paths and letting the cut mass to decompose in the field. No EFB application was applied in FY 2022 and 2023. |
| | 7.4.4 Records of fertiliser inputs are maintained. | YES | The records of agronomic and fertilizer recommendations for the year 2023, as indicated by the Agronomic Advisory Report for 2022, show the application date, field number, dosage applied per palm, types of fertilizer, and the number of applications. The program consists of compound and straight fertilizer. Based on the actual fertilizer application for the year 2023, Borate and Rock Phosphate were applied at a dosage of 3 kg/palm/year in Block 1/2/3, following the program or recommendations outlined in the agronomic report. This is aimed at improving soil fertility and achieving a level that ensures optimal and sustained yield. |
| 7.5 Practices minimise and control erosion and degradation of soils. | 7.5.1 (C) Maps identifying marginal and fragile soils, including steep terrain, are available. | YES | During the field visit and the soil maps provided and reviewed by the auditors it was observed that no fragile or marginal soils were found in LSB. As per the Soil Maps, the soil series were Kinabatangan and Kretam. |
| | 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. | YES | No replanting until the year of 2026 based on replanting program provided. Based on slope map dated 03/01/2020 prepared by HSP Agronomy Department, there was no steep terrain (greater than 25°) in LSB. |
| | 7.5.3 There is no new planting of oil palm on steep terrain. | YES | Based on the audit findings, there have been no new plantings or developments at LSB. Consequently, there is no need for soil suitability maps or soil surveys to establish the long- |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | term suitability of the land for oil palm cultivation |
| 7.6<br>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.<br>*AUDITORS' GUIDE:*<br>*1) To ensure that site sampling includes various land topography from low land to very steep land.* | | Based on the audit findings, it was confirmed that there were no new planting or new development of areas at LSB. Hence, there was no need for soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation was required. |
| | 7.6.2 Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. | YES | There were no marginal and fragile soils in the LSB. |
| | 7.6.3 Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. | YES | LSB had a management strategy for palm oil cultivation, taking into account the soil surveys and topographic information in planning of drainage and irrigation systems, roads and other infrastructure. The topographic information was provided and reviewed by the auditors |
| 7.7<br>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. | NA | Not applicable. Based on soil map dated 03/01/2020, prepared by HSP Agronomy Department and site visit, there was no peat soil in the LSB. |
| | 7.7.2 Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.<br>PROCEDURAL NOTE:<br>Maps and other documentation of peat 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). | NA | Not applicable. Based on soil map dated 03/01/2020, prepared by HSP Agronomy Department and site visit, there was no peat soil in the LSB. |
| | 7.7.3 (C) Subsidence of peat is monitored, documented and minimised. | NA | Not applicable. Based on soil map dated 03/01/2020, prepared by HSP Agronomy Department and site visit, there was no peat soil in the LSB. |
| | 7.7.4 (C) A documented water and ground | | Not applicable. Based on soil map dated 03/01/2020, prepared by HSP Agronomy |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | cover management programme is in place. | NA | Department and site visit, there was no peat soil in the LSB. |
| | 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 higher water table (paludiculture) or rehabilitated with natural vegetation.<br>This is subject to transitional (5 years: 2019 to 2025) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition. | NA | Not applicable. Based on soil map dated 03/01/2020, prepared by HSP Agronomy Department and site visit, there was no peat soil in the LSB. |
| | 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. | NA | Not applicable. Based on soil map dated 03/01/2020, prepared by HSP Agronomy Department and site visit, there was no peat soil in the LSB. |
| | 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";<br>new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed | NA | Not applicable. Based on soil map dated 03/01/2020, prepared by HSP Agronomy Department and site visit, there was no peat soil in the LSB. |

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td>in accordance with the ‘RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat’, version 2 (2018) and associated audit guidance.</td><td></td><td></td></tr>
<tr><td>7.8<br>Practices maintain the quality and availability of surface and groundwater.</td><td>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:</td><td>YES</td><td>A Water Management Plan was available in the estate, reviewed on 30/11/2023 to include the water source, activities, water Use, possible threats, action plans, timelines and related records. The management have identified in the water management 1 areas that require regular monitoring which is Sungai Sikok. The Inlet and Outlet of the river/water catchment are monitored on a quarterly basis. Water samples are obtained from the pre-determined water sampling points at the upstream and downstream areas. The samples are submitted to HSP Plantations Central Laboratory. The results are then provided to the estate for monitoring. Verified the recent Test Report (Report ref Number: TR/W/214/23) dated 18/05/2023 and (report ref no: TR/W/439/23) dated 15/10/2023 was available for verification. All workers have access to clean water provided by the estate management via mineral or drinking water. Each worker will provide 24 bottles with 1.5 L for every month. Based on interview and records of distribution of drinking water was available and provided accordingly.</td></tr>
<tr><td></td><td>7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</td><td>YES</td><td>LBS had begun to reduce use of pesticides since August 2021. There isn’t any river passing through Lebijaya Sdn Bhd property, as sighted in the map and verified in the field. Additionally, steps were taken not to contaminate man-made water courses. For example, grass along water ways were let to grow and slashing maintained when needed.<br><br>The management have identified in the water management 1 areas that require regular monitoring which is Sungai Sikok. The Inlet and Outlet of the river/water catchment are monitored on a quarterly basis. Water samples are obtained from the pre-determined water sampling points at the upstream and downstream areas. The samples are submitted to HSP Plantations Central Laboratory. The results are then provided to the estate for monitoring. Verified the recent Test Report (Report ref Number: TR/W/214/23) dated 18/05/2023 and (report ref no: TR/W/439/23) dated 15/10/2023 was available for verification. Summary from the report as per below:
<table>
<tr><th>parameter</th><th>Results</th><th>NWQS</th></tr>
<tr><td>pH</td><td>7.59</td><td>6-9</td></tr>
<tr><td>Turbidity</td><td>9.8-10</td><td><50</td></tr>
<tr><td>Totals suspend solid</td><td>2-10</td><td><50</td></tr>
<tr><td>COD</td><td>16-19</td><td><25</td></tr>
<tr><td>BOD</td><td><1</td><td><3</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>
<table>
<tr><td>Ammoniacal Nitrogen</td><td>0.06</td><td><0.3</td></tr>
<tr><td>DO</td><td>8.49-8.51</td><td>>7</td></tr>
<tr><td>Oil & grease</td><td><2</td><td>NA</td></tr>
</table>
</td></tr>
<tr><td></td><td>7.8.1b Workers have adequate access to clean water.</td><td>YES</td><td>.<br>As verified through interview with workers, all workers have obtained adequate access to clean water via mineral or drinking water. Each worker will provide 24 bottles with 1.5 L for every month.</td></tr>
<tr><td></td><td>7.8.2 (C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with ‘RSPO Manual on BMPs for the management and rehabilitation of riparian reserves’ (April 2017).</td><td>YES</td><td>LBS had begun to reduce use of pesticides since August 2021. There isn’t any river passing through LSB’s property, as sighted in the map and verified in the field. Additionally, steps were taken not to contaminate man-made water courses. For example, grass along water ways were let to grow and slashing maintained when needed.</td></tr>
<tr><td></td><td>7.8.3 Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</td><td>YES</td><td>Not applicable since this Management is a Small grower company, No Mill involved in this Assessment.</td></tr>
<tr><td></td><td>7.8.4 Mill water use per tonne of FFB is monitored and recorded.</td><td>YES</td><td>Not applicable since this Management is a Small grower company, No Mill involved in this Assessment.</td></tr>
<tr><td>7.9<br>Efficiency of fossil fuel use and the use of renewable energy is optimised.</td><td>7.9.1 A plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented.</td><td>YES</td><td>Sighted “Fossil Fuel Management Plan” had been developed and reviewed on 16/12/2023. The plan only focus on diesel usage by FFB Transport and use of fertilizers. Sighted environmental impact and mitigation measure has been identified and documented accordingly. Consumption of diesel was monitored on monthly basis. Sighted the data from year 2019 to 2023.
<table>
<tr><td>Year</td><td>2019</td><td>2020</td><td>2021</td><td>2022</td><td>2023 (till November)</td></tr>
<tr><td>Diesel (L)</td><td>25,537</td><td>17,544</td><td>24,115</td><td>23,268</td><td>22,530</td></tr>
<tr><td>FFB Production (Mt)</td><td>4047.93</td><td>3420.10</td><td>3093.93</td><td>2628.44</td><td>1959</td></tr>
<tr><td>Ratio Diesel/FFB</td><td>6.31</td><td>5.12</td><td>7.8</td><td>8.83</td><td>11.50</td></tr>
</table>
</td></tr>
<tr><td>7.10<br>Plans to reduce pollution and</td><td>7.10.1 (C) GHG emissions are identified and assessed for the unit of certification.</td><td>YES</td><td>The LSB. had used RSPO Palm GHG version 4.0 Calculator as a tool to calculate the GHG emissions. Sighted report sends via email to RSPO on 21/12/2023. The input data FY2022 have been verified and checked. The input data as per below:</td></tr>
</table>

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td>emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</td><td>Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</td><td></td><td>
<table>
<tr><th>Description</th><th>Unit</th><th>Value</th></tr>
<tr><td>Oil Palm Planted On Mineral Soil</td><td>Ha</td><td>215.80</td></tr>
<tr><td>Oil Palm Planted On Peat</td><td>Ha</td><td>0.00</td></tr>
<tr><td>Total Oil Palm Planted Area</td><td>Ha</td><td>215.80</td></tr>
<tr><td>Conservation Area (Forested)</td><td>Ha</td><td>0.00</td></tr>
<tr><td>Conservation Area (Non-Forested)</td><td>Ha</td><td>0.00</td></tr>
<tr><td>FFB Supplied To This Mill</td><td>Mt</td><td>2628.44</td></tr>
<tr><td>FFB Produced By This Estate/Pantation</td><td>Mt</td><td>2628.44</td></tr>
<tr><td>FFB Production Per Hectarage</td><td>Mt/Ha</td><td>12.18</td></tr>
</table>
<br>Plantation / field emission
<table>
<tr><th>ription</th><th>Total emission (tCO2e)</th><th>tCO2e/ha</th><th>tCO2e/t FFB</th><th>Emission allocated to this mill (tCO2e)</th></tr>
<tr><td>Land Conversion</td><td>2131.38</td><td>9.88</td><td>0.81</td><td>2131.38</td></tr>
<tr><td>Crop Sequestration</td><td>-2020.26</td><td>-9.36</td><td>-0.77</td><td>-2020.26</td></tr>
<tr><td>*CO2 Emissions from Fertiliser</td><td>8.43</td><td>0.04</td><td>0.00</td><td>8.43</td></tr>
<tr><td>N2O Emissions from Peat</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>N2O Emissions from Fertiliser</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Fuel Consumption</td><td>72.60</td><td>0.34</td><td>0.03</td><td>72.60</td></tr>
<tr><td>Peat Oxidation</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Sequestration in Conservation area</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>TOTAL</td><td>192.14</td><td>0.89</td><td>0.07</td><td>192.14</td></tr>
</table>
<br>*Includes transport and manufacture emissions from mineral fertilizers and emissions from urea<br>*This only includes N20 emissions form mineral fertiliser application and peat soil. The N2O emissions from organic fertiliser application is not included here and can only be displayed in the final summary.</td></tr>
</table>

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | |
| | 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). | YES | Auditors has verified through checking the www.globalforestwatch.com, Google Maps, Estate Maps and also through site visit to the estate area. Based on the observation during the audit, it is confirmed that there were no new planting or new development of areas at Lebijaya Sdn. Bhd. Hence, RSPO GHG Assessment Procedure for New Development was not applicable. |
| | 7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored. | YES | The Environmental Impact Assessment and Pollution Prevention Plan was used to identify the emissions. Some of the Greenhouse Gas emissions are through Land Conversation, Crop Sequestration, Fertiliser, $N_2O$ from fertiliser, Fuel Consumption. Plans to reduce or minimise them are in place. Among of the implementation has been implemented and monitored such as maintaining the buffer zones area from any chemical activities, used a bund as a secondary container to prevent the leachate, skid tank has been placed at bunding areas to prevent leacheate, and etc. |
| 7.11<br>Fire is not used for preparing land and is prevented in the managed area. | 7.11.1 (C) Land for new planting or replanting is not prepared by burning. | YES | During site visit there was no new planting or replanting at LSB. |
| | 7.11.2 The unit of certification establishes fire prevention and control measures for the areas under its direct management. | YES | Estate has established fire prevention and control measures as per procedure SSOP "Pelan Tindakan Menghadapi Kebakaran" sighted a training has been conducted by estate manager to employees and mandore on 21/09/2023. |
| | 7.11.3 The unit of certification engages with adjacent stakeholders on fire prevention and control measures. | YES | Engages with adjacent stakeholders on fire prevention has been conducted and briefed during external stakeholder meeting conducted on 3/11/2023 involved relevant stakeholders such as neighbouring estate or smallholders, POM, internal workers and sustainability team from Hap Seng Plantations were briefed on all the RSPO principles and criteria and fire prevention. |
| 7.12<br>Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) | 7.12.1 (C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.<br>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document. | YES | There has been no new land clearing at LSB since November 2015, rendering this indicator not applicable |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| forest. HCVs and HCS forests in the managed area are identified and protected or enhanced. | 7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as follows: | YES | The auditor was provided with the 'HCV-HCSA Assessment Report of Lebijaya Sdn Bhd' prepared by the Sustainable Unit of Hap Seng. The assessment, conducted from 16-20/12/2019, was completed on 30/12/19 with reviews on 5 August 2022 and 30 Nov 2023.<br><br>The report indicates that there is RTE (Rare, Threatened, or Endangered) areas were identified at Lebijaya estate, which is Elephant movement Belt trail, sighted the meeting was conducted on 7th June 2022 with wildlife department, and wildlife department has provided measures to control and manage interactions between elephants and the estate, including;<br>- calling the wildlife department<br>- erecting signboards<br>- providing training to workers<br>- conducting periodic visits to the reserve boundary to monitor illegal activities.<br><br>Additionally, the report mentions the identification of a Potential High Conservation Value (HCV) area (HVC4) related to the controlled and maintained river buffer zone for Sg. Sikok. It's noted that the estate has successfully closed the previous Major Non-Conformity Report (NCR) MZK 01 2022 |
| | 7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid. | YES | |
| | 7.12.2b: Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations. | YES | |
| | 7.12.4 (C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified). | YES | The identification and assessment of HCV (High Conservation Value) habitats or protected areas are conducted prior to the main assessment. The report titled 'HCV-HCSA Assessment Report of Lebijaya Sdn Bhd,' prepared by the Sustainable Unit of Hap Seng, details the assessment conducted on the Lebijaya Sdn Bhd estate.<br><br>Based on the assessment, Rare, Threatened, or Endangered (RTE) areas were identified at the Lebijaya estate, specifically the Borneon Pigmy Elephant Movement Belt trail. A meeting was conducted on 7th June 2022 with the wildlife department, which provided measures to control and manage interactions between elephants and the estate. These measures include:<br>- Contacting the wildlife department<br>- Erecting signboards<br>- Providing training to workers<br>- Conducting periodic visits to the reserve boundary to monitor illegal activities<br>**Thus, Past Major NCR MZK 02 2022 was successfully closed.**<br><br>Despite these measures, the assessor outlined several recommendations for HCV management by the estate, including:<br>- Continuing to prohibit workers from entering the area<br>- Continuing to prohibit indiscriminate spraying in the area |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | | | - Installing signboards prohibiting the entrance of workers to the area, properly marked or designated<br>- For RTE areas, continuing to prohibit illegal hunting<br>- Continuing to conduct yearly training to educate workers on RTE species<br>The 'Annual HCV Management Plan,' as outlined in the 'HCV-HCSA Assessment Report,' was updated on 30 Nov 2023 and made available for verification. It provides details on HCV protection and maintenance measures to be taken at LSB (Lebijaya Sdn Bhd) in FY 2023. |
| | 7.12.5 Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas. | YES | There were no local communities living nearby with Lebijaya Sdn Bhd. So, this indicator was not applicable with this CU. |
| | 7.12.6 All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species. | | LSB has developed an action plan based on the assessment by the assessor. The plan, named HCV Management Plan 2023, was updated on 30 Nov 2023, and it states the commitment to protect HCV 4, Lebijaya Sdn Bhd. There is also a commitment to discourage any illegal or inappropriate hunting, fishing, or collecting activities. Evidence observed during the site review indicates that signage to prohibit hunting has been erected at the border. Patrolling by mandore for illegal hunting is also being implemented to control these activities.<br><br>LBS has conducted training on HCV and wildlife for staff and field workers on 18/9/23. The company has also established a disciplinary measure titled ‘Dilarang Memburu’ (Hunting Prohibited). |
| | 7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. | YES | LSB is also committed to discouraging any illegal or inappropriate hunting, fishing, or collecting activities. Evidence was observed during the site review that signage to prohibit hunting has been erected at the border. Patrolling by mandora for illegal hunting is also being implemented to control these illegal activities.<br><br>Monthly monitoring for Rare, Threatened, or Endangered (RTE) areas was conducted by |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | *AUDITORS' GUIDE:*<br>*Reviewing HCV Management Plan*<br>*a) Review the plan.*<br>*b) Review the appropriateness of the action taken identified to address the issue in the plan.*<br>*c) Look into the monitoring of the action taken and the effectiveness of the implementation of the action plan.*<br>*d) Update the management plan in accordance with the monitoring and implementation evaluation outcome.*<br>*e) Provided overall conclusion for the management plan established by the CH.* | | LSB. Records dated 24/11/23, 18/10/23, 30/9/23, 23/8/23, 20/7/23, 15/6/23, 31/5/23, etc., were sighted. The monitoring activities were recorded in the form of the 'Lebijaya HCV and RTE Monthly Checklist.' |
| | 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 | Not applicable since there is no new land clearing |
| ***AUDITORS' GUIDE IN REPORTING ORANG ASLI MATTERS (if applicable) – FOR NON-COMPLIANCES, TO RAISE AT SPECIFIC INDICATORS IN THE MYNI CHECKLIST.*** | | | |
| No specific clause – Information related to Orang Asli / Indigenous People: | ***To include details on Orang Asli***<br>***1.To report the name of their kampung and placement (penempatan). No. of the residents of Orang Asli.***<br>***2.Where they are located (radius within 5km from the CU). Check the estate map and estate boundary on neighboring Orang Asli villages.***<br>***3.Verify the stakeholders list on neighboring Orang Asli community with the CU.***<br>***4.Read the SIA or SEIA and HCV or HCV-HCSA reports if these assessments had identified potential Orang Asli village(s) that may be affected by the CU operation. If yes, what the issues and recommended mitigation action.***<br>***5.Verify if any of estate activities may affected the Orang Asli through consultation with auditor. Get the information from head of village (local & Orang Asli) how they started the village (origin, nomad, or separation from other orang asli village),*** | | There are no Orang Asli communities in close proximity to the Lebijaya Plantations. The audit team conducted interviews with relevant stakeholders, including the Ketua Kampung Litang, representatives from IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd, and smallholder. Based on these interviews, it can be concluded that there is no evidence of Orang Asli presence nearby. Therefore, the evidence required under this clause was not available |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | ***their daily needs, roaming area, sacred area, grave, food source, supply of clean water, where they work, and education for their children.***<br>***6.Evidence of FPIC had been implemented by the CU and consent given by the Orang Asli communities.***<br>***7.What are the CSR from the CU to Orang Asli. Significant CSR for long term development for Orang Asli? Any specific request/needs from Orang Asli from the CU?***<br>***8.Consult DFO of Forestry Department and PERHILITAN for any issues related to the Orang Asli.***<br>***9.Provide the specific names of Orang Asli representatives sampled during every audit.*** | | |
| | **<u>Common social issues on Orang Asli</u>**<br>**1.Accessibility for Orang Asli from their village to the estate and/or roaming area.**<br>**2.Protection of cemetery of Orang Asli which located within the estate.**<br>**3.Opportunity for employment – male & female.**<br>**4.Do they understand the employment procedures and agreement?**<br>**5.Are their employment contract complying with the RSPO P&C MYNI 2019?**<br>**6.Did they receive appropriate trainings & briefings and other necessities (PPE) to work as other local/foreign workers?**<br>**7.Replanting activity that may affected the Orang Asli community.**<br>**8.Accessibility for clean water from nearby river or water scarcity.**<br>**9.Hunting of wild boar/monkey/fish/birds within estate area or at the estate boundary.**<br>**10.Education for the Orang Asli children.** | YES | There are no Orang Asli communities in close proximity to the Lebijaya Plantations. The audit team conducted interviews with relevant stakeholders, including the Ketua Kampung Litang, representatives from IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd, and smallholder. Based on these interviews, it can be concluded that there is no evidence of Orang Asli presence nearby. Therefore, the evidence required under this clause was not available |
| | **<u>What CU needs to do to address the issues</u>**<br>**1.FPIC with the affected Orang Asli communities on the estate operation.**<br>**2.Annual external stakeholder consultation with Orang Asli representative.** | YES | There are no Orang Asli communities in close proximity to the Lebijaya Plantations. The audit team conducted interviews with relevant stakeholders, including the Ketua Kampung Litang, representatives from IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd, and smallholder. Based on these interviews, it can be concluded that there is no evidence of Orang Asli presence nearby. Therefore, the evidence required |

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|
| | **3.Stakeholder consultation with the community had been conducted during initial SIA assessment.**<br>**4.Review social action plan with participatory of affected Orang Asli.**<br>**5.Brief and circulate grievances/ disputes mechanism/procedure.**<br>**6.To offer job opportunity to Orang Asli – male & female.**<br>**7.Protection of Orang Asli sacred area or grave.**<br>**8.CSR to Orang Asli - grass cutting, LF collection, nursery, road/bridge maintenance, food donation, transport services for Orang Asli children to go to school, etc.** | | under this clause was not available |

***AUDITORS' GUIDE: THE TRIANGULATION CONCEPT – AUDITORS TO CHECK & CONFIRM!!***

*In elaborating evidence in "Findings", Auditor is reminded to apply the Triangulation Concept where, evidence reported shall be obtain from the following method: (1) observation, (2) information obtains through interview session, and (3) documentation evidence maintains by the company.*

*The evidence provided must be:*

- *sufficient = quantity of audit evidence is adequate to reflect the finding,*
- *relevant = address finding objective, and*
- *reliable = credible and consistent.*

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

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| 5.5.2<br>Time-bound plan<br><br>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 | Not applicable. LBS didn't have other mills or estates within it company. |
| | (b) | Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness; | YES | Not applicable. LBS didn't have other mills or estates within it company. |
| | (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 | Not applicable. LBS didn't have other mills or estates within it company. |
| | (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 | YES | Not applicable. LBS didn't have other mills or estates within it company. |

| | | | | |
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| | | major non-compliance shall be raised. | | |
| 5.5.3<br>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 | Not applicable. LBS didn't have other mills or estates within it company. |
| | (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 | Not applicable. LBS didn't have other mills or estates within it company. |
| | (c) | Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2; | YES | Not applicable. LBS didn't have other mills or estates within it company. |

| | | | | |
|---|---|---|---|---|
| | (d) | Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; | YES | Not applicable. LBS didn't have other mills or estates within it company. |
| | (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 | Not applicable. LBS didn't have other mills or estates within it company. |
| | | 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- | YES | Not applicable. LBS didn't have other mills or estates within it company. |

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| | | critical is as stated in the RSPO P&C. If a non-compliance against a critical indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless it is actively addressed. Evidence of active engagement with RSPO in resolving the non-compliance shall be available. | | |
| | (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 | Not applicable. LBS didn't have other mills or estates within it company. |

| | | | | |
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| 5.6.6<br>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.<br><br>The CB shall have a mechanism in place to identify the interested parties and ensure a represented samples size of the interested parties are consulted in each audit.<br><br>The CB shall keep track which party that has been interviewed in the previous audits to ensure proper coverage of the parties throughout the certification cycle. | | No additional indicators<br>*AUDITORS' GUIDE:*<br>*1. Identify (and document) the identification of the previous users and owners of the land;*<br>*2. Identify (i.e., locate a written copy of) the agreements/promises made at the time of the relevant land transfers and/or land use agreements;*<br>*3. Determine whether the previous users/owners can now be contacted, and do so, as applicable;*<br>*4. Interview the previous owners/users to assess whether the land transfer and land use agreements were entered into with their free, prior, informed consent;*<br>*5. Evaluate whether there is ongoing compliance with the agreements (e.g., if promises were made at the original transfer date, to transfer developed land back to communities at a later date, were these promises kept in full?);*<br>*6. Identify and follow up any disputes.* | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by LSB since 1999. All the related documentation regarding the land acquisition was kept in LSB HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.<br><br>The audit team has also interviewed relevant stakeholders such as the Villagers Ketua Kampung Litang, IOI Group Plantation Berhad, Hap Seng Plantations Berhad, Golden Spring Sdn Bhd and smallholder Mr Paulus Gondilou. From the interviews, it can be concluded that there was no evidence of any land dispute at LSB, Hence the evidence required under this clause was not available |

## DETAILS OF NON-CONFORMITIES AND CORRECTIVE ACTIONS TAKEN

| P & C Indicator | Specification Major/Minor | Detail Non-conformances | *Root Cause & Corrective Action* Taken by the CU | Verification Statement by Auditors |
|---|---|---|---|---|
| 3.6.1 | MAJOR | Requirement: 3.6.1 (C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.<br><br>Finding: certain operation are not risk assessed and not implemented to identify H&S issues<br><br>Objective evidence:<br>1.risk control for hearing (noise) for activities road maintenance using an excavator was not yet identified and given to operator, sighted no issuance of earmuff or ear plug to the operator since January 2020 as per PPE issuance record book.<br>2.Risk Assessment for activity construction (new housing or maintenance) was not yet to be identified.<br>3.Risk Assessment for activities after harvesting or storage of harvesting tools not yet identified, during site visit at housing area was sighted harvesting pool with no sickle cover were left on the ground near the housing complexes | Root cause:<br>The Certification Unit miss-out risk assess and monitor on health and safety issue for activities road maintenance using an excavator because of the machine are rarely used, construction activities and activities after harvesting or storage of harvesting tools due to lack of knowledge the clerk in charge of the HIRARC.<br><br>Correction:<br>1. The certification unit will immediately assess and monitor on health and safety issue for activities road maintenance using an excavator, construction activities and activities after harvesting or storage of harvesting tools and include to the HIRARC.<br>2. The certification unit has provide training to all workers regarding the HIRARC on (25/01/2024) and give ear plug to the operator.<br><br>Corrective Action:<br>The Estate Manager will review the HIRARC by yearly basis to ensure all news activities fully risk assess and monitor on health and safety issue and provide training by yearly basis with support from safety and health officer from Hap Seng Sustainability teams. | Sighted Risk Analysis has been conduct by estate manager and approved by Director on date 20 January 2024 to risk analyze and updated risk for activities such as:<br>• Harvesting – 13 activities has been identified and risk control were established to control the risk.<br>• Road maintenance – 4 major activities using excavator has been risk analyze and among of control measure used such as PPE (ear muff), respirator, emergency light or siren, etc.<br>• Carpenter – 9 major activities were identified by PIC included construction and maintenance of housing and risk control measure were established<br><br>Training for HIRARC has been conducted on 25/01/2024 by Estate Manager to respective mandora, OSH committee.<br><br>Also annual programme for year 2024 were established on January 2024 to include HIRARC training.<br><br>Status: closed. |
| 7.3.2 | MINOR | Requirement: 7.3.2 Proper disposal of waste material, | Root cause:<br>The Certification Unit lack of awareness | Corrective action plan accepted, the effectiveness of implementation will |

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| | | according to procedures that are fully understood by workers and managers, is demonstrated.<br><br>Finding: disposal of waste material was not demonstrated and accordance as per procedure.<br><br>Objective evidence:<br>During site visit at housing complex's (Block D) was sighted domestic waste such as bottle, food waste, etc was not managed accordingly and has been throw at the back of housing areas. | about the domestic waste need to manage as per procedure.<br><br>Correction:<br>The certification unit has conducted training on (25/01/2024), regarding the procedure of Domestic waste to all workers and assess their understanding on the training.<br><br>Corrective Action:<br>The Estate Manager will conduct the training by yearly basis and include the training into the training program. with support from Hap Seng Sustainability teams | be verified during next audit.<br><br>Status: open |

***AUDITORS' GUIDE:***

- *Please include a statement to reflect that the root cause provided by the CU is accepted.*
- *Each verification statement shall clearly state the evidence reviewed on the correction and/or corrective action to be accepted and closed by auditor.*
- ***Correction** is the **immediate action** to address the non-conformities.*
- ***Corrective Action** is the action taken **to eliminate the causes** of non-conformities and **to prevent the re-occurrence** of non-conformities.*

**ATTACHMENT 5**

## STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED

| P & C Indicator | Specification Major/Minor | Detail Non-conformances | Verification by Assessor |
|---|---|---|---|
| 3.4.3<br>MAR 01 2022 | Major | Requirement: 3.4.3 (C) - The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.<br><br>Finding: Social management and monitoring plan is not updated in a participatory way.<br><br>Objective evidence: Inadequate involvement of workers such as non-union workers, dependence, gender, races, job scopes and etc. Gathering of negative and positive impact was conducted during morning master call. Some issues on minimum wages and productivity workers were not reviewed. Additionally, no consultation with neighbouring villages from Kg Litang. | The social and environmental management and monitoring plan have been implemented, reviewed, and updated regularly in a participatory way with internal stakeholders such as worker leaders, non-union workers, dependents based on gender, race, job scopes, etc., and external stakeholders such as government agencies, contractors, consultants, neighboring plantations, and villagers such as Kg. Litang. The assessments were reviewed on 01/12/2023, with the participation of Joint Consultative Committee (Estate Level) meetings held on 03/11/2023 (LSB) and a joint session from HSPB groups on 22/12/2021. Evidence of the feedback received during these consultations has been documented in the social and environmental management and monitoring plan. From 2019 until today, there have been no demographic changes or new systems implemented at the CU. Additionally, no negative impact issues related to social aspects have been highlighted in stakeholders' meetings for the past three years.<br><br>As a result, previous nonconformities were satisfactorily closed. |
| 6.7.5<br>DA 01 2022 | Minor | Requirement: 6.7.5 Occupational injuries are recorded using Lost Time Accident (LTA) metrics.<br><br>Finding: The total hours work for year 2021 yet to be recorded or declared in the JKKP 8 via MyKKP System.<br><br>Objective evidence:<br>The occupational injuries are recorded using Lost Time Accident (LTA) metrics. However, based on JKKP 8 form dated 14/02/2022, sighted there is no total hours work for year 2021 was recorded or declared in the JKKP 8 via MyKKP System. | The occupational injuries are recorded using Lost Time Accident (LTA) metrics. Based on JKKP 8 form dated 07/01/2023, sighted there is 64368 total hours work for year 2022 was recorded or declared in the JKKP 8 via MyKKP System.<br><br>Thus, previous NCR was satisfactory closed. |
| 7.12.2b<br>MZK 01 2022 | Major | Requirement: 7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as follows:<br>7.12.2b: Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.<br><br>Finding: The HCV Assessment was not taken into account wider landscape-level considerations. | The auditor was provided with the 'HCV-HCSA Assessment Report of Lebijaya Sdn Bhd' prepared by the Sustainable Unit of Hap Seng. The assessment, conducted from 16-20/12/2019, was completed on 30/12/19 with reviews on 5 August 2022 and 30 Nov 2023.<br><br>The report indicates that there is RTE (Rare, Threatened, or Endangered) areas were identified at Lebijaya estate, which is Elephant movement Belt trail, sighted the meeting was conducted on 7th June 2022 with wildlife department, and wildlife department has provided measures to control and manage interactions between elephants and the estate, including; |

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|---|---|---|---|
| | | Objective evidence:<br>The report of “HCV-HCSA Area Assessment Report of Lebijaya Sdn Bhd” was available, However, it was found that the Assessment was failed to identify and take into account wider landscape-level considerations. Such as Elephant movement Belt trail. | - calling the wildlife department<br>- erecting signboards<br>- providing training to workers<br>- conducting periodic visits to the reserve boundary to monitor illegal activities.<br><br>Additionally, the report mentions the identification of a Potential High Conservation Value (HCV) area (HVC4) related to the controlled and maintained river buffer zone for Sg. Sikok. It's noted that the estate has successfully closed the previous Major Non-Conformity Report (NCR) MZK 01 2022 |
| 7.12.4<br>MZK 02 2022 | Major | Requirement: 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).<br><br>Finding: The HCV integrated management plan was not developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified)<br>.<br>Objective evidence:<br>The HCV Integrated Management Plan was available, However, HCV Plan is not developed in consultation with relevant stakeholders such as PERHILITAN, and includes the directly managed area and any relevant wider landscape level considerations (where these are identified). e.g area intrusion by Wildlife such as Borneon Pigmy Elephant | The identification and assessment of HCV (High Conservation Value) habitats or protected areas are conducted prior to the main assessment. The report titled 'HCV-HCSA Assessment Report of Lebijaya Sdn Bhd,' prepared by the Sustainable Unit of Hap Seng, details the assessment conducted on the Lebijaya Sdn Bhd estate.<br><br>Based on the assessment, Rare, Threatened, or Endangered (RTE) areas were identified at the Lebijaya estate, specifically the Borneon Pigmy Elephant Movement Belt trail. A meeting was conducted on 7th June 2022 with the wildlife department, which provided measures to control and manage interactions between elephants and the estate. These measures include:<br>-Contacting the wildlife department<br>-Erecting signboards<br>-Providing training to workers<br>-Conducting periodic visits to the reserve boundary to monitor illegal activities<br><br>Thus, Past Major NCR MZK 02 2022 was successfully closed.<br><br>Despite these measures, the assessor outlined several recommendations for HCV management by the estate, including:<br>-Continuing to prohibit workers from entering the area<br>-Continuing to prohibit indiscriminate spraying in the area<br>-Installing signboards prohibiting the entrance of workers to the area, properly marked or designated<br>-For RTE areas, continuing to prohibit illegal hunting<br>-Continuing to conduct yearly training to educate workers on RTE species<br>The 'Annual HCV Management Plan,' as outlined in the 'HCV-HCSA Assessment Report,' was updated on 30 Nov 2023 and made available for verification. It provides details on HCV protection and maintenance measures to be taken at LSB (Lebijaya Sdn Bhd) in FY 2023. |

**ATTACHMENT 6 – Timebound Plan**
***To provide the latest template as endorsed by RSPO**

Not applicable since Lebijaya Sdn Bhd Estate was a single estate/ smallholder and joined Hap Seng Plantation Support small holder programmed.

**ATTACHMENT 7 – Stakeholder listing (Stage 2/Recertification only)**

Not applicable