

**MALAYSIAN SUSTAINABLE PALM OIL
ANNUAL SURVEILLANCE ASSESSMENT 2
Public Summary Report**

| |
|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Palmgroup Holdings Sdn Bhd |
| Client company Address: 25.1-25.2, Level 25, Wisma Sanyan No. 1, Jalan Sanyan 96000 Sibul, Sarawak, Malaysia |
| Certification Unit: Jobenar Raya Sdn. Bhd. (Jobenar Raya Tatau Estate) |
| Location of Certification Unit: Jobenar Raya Sdn. Bhd. Lot 1, Block 19, Buan Land District, 97200 Tatau, Bintulu, Sarawak, Malaysia |

**Report prepared by:
Muhammad Fadzli bin Masran**

Report Number: 3264921

Assessment Conducted by:

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Section 1: Executive Summary

| 1.1 Organizational Information and Contact Person | | | |
|---------------------------------------------------|------------------------------------------------------------------------------|-------------|--------------------------|
| Company Name | Jobenar Raya Sdn. Bhd | | |
| Mill/Estate | MPOB License No. | Expiry Date | |
| | 503943902000 | 31/05/2021 | |
| Address | Lot 1, Block 19, Buan Land District, 97200 Tatau, Bintulu, Sarawak, Malaysia | | |
| Certification Unit | Jobenar Raya Tatau Estate | | |
| Contact Person Name | Mr. Raymond Nyian | | |
| Website | http://www.mafrica.com.my | E-mail | raymondny@mafrica.com.my |
| Telephone | +6084 353 155 (Office) +6012 881 0052 (HP) | Facsimile | +6084 332153 |

| 1.2 Certification Information | | | |
|-----------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------|-------------|
| Certificate Number | MSPO 681059 | | |
| Issue Date | 02/11/2018 | Expiry date | 01/11/2023 |
| Scope of Certification | Production of Sustainable Oil Palm Fruits | | |
| Standard | MSPO MS:2530-Part 3 General Principles for Oil Palm Plantations and Organized Smallholders | | |
| Stage 1 Date | 13/11/2017 | | |
| Stage 2 / Initial Assessment Visit Date (IAV) | 19/03/2018 | | |
| Continuous Assessment Visit Date (CAV) 1 | 29/08/2019 | | |
| Continuous Assessment Visit Date (CAV) 2 | 19/08/2020 (remote) & 28 - 29/09/2020 (on-site) | | |
| Continuous Assessment Visit Date (CAV) 3 | TBA | | |
| Continuous Assessment Visit Date (CAV) 4 | TBA | | |
| Other Certifications | | | |
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| N/A | | | |

| 1.3 Location of Certification Unit | | | |
|----------------------------------------------------------------------------------------------------|--------------|----------------------------------|----------|
| Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder) | Site Address | GPS Reference of the site office | |
| | | Longitude | Latitude |

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| | | | |
|---------------------------|------------------------------------------------------------------------------|-----------|---------|
| Jobenar Raya Tatau Estate | Lot 1, Block 19, Buan Land District, 97200 Tatau, Bintulu, Sarawak, Malaysia | 112.74597 | 2.86806 |
|---------------------------|------------------------------------------------------------------------------|-----------|---------|

1.4 Certified Area

| Estate | Total Planted (Mature + Immature) (ha) | HCV (ha) | Infrastructure & Other (ha) | Total Area (ha) | % of Planted |
|---------------------------|----------------------------------------|----------|-----------------------------|-----------------|--------------|
| Jobenar Raya Tatau Estate | 2724.92 | 174.08 | 10.00 | 2909.00 | 93.67 |
| Total | 2724.92 | 174.08 | 10.00 | 2909.00 | |

1.5 Plantings & Cycle

| Estate | Age (Years) | | | | | Mature | Immature |
|---------------------------|-------------|----------|----------|---------|---------|---------|----------|
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | 26 - 30 | | |
| Jobenar Raya Tatau Estate | 0.00 | 1,625.52 | 1,099.40 | 0.00 | 0.00 | 2724.92 | 0.00 |
| Total (ha) | 0.00 | 1,625.52 | 1,099.40 | 0.00 | 0.00 | 2724.92 | 0.00 |

1.6 Certified Tonnage of FFB

| Estate | Tonnage / year | | |
|---------------------------|---------------------------------|------------------------------|--------------------------------|
| | Estimated (Oct 2019 - Sep 2020) | Actual (Aug 2019 - Aug 2020) | Forecast (Oct 2020 - Sep 2021) |
| Jobenar Raya Tatau Estate | 53,204.04 | 46,961.50 | 53,204.04 |
| Total | 53,204.04 | 46,961.50 | 53,204.04 |

Note:
Nil

1.7 Uncertified Tonnage of FFB

| Estate | Tonnage / year | | |
|--------|---------------------------------|------------------------------|--------------------------------|
| | Estimated (Oct 2019 - Sep 2020) | Actual (Aug 2019 - Aug 2020) | Forecast (Oct 2020 - Sep 2021) |
| | N/A | N/A | N/A |
| Total | N/A | N/A | N/A |

Note:
Nil

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| 1.8 Certified Tonnage | | | |
|-------------------------------|--------------------------------------------|-----------------------------------------|-------------------------------------------|
| | Estimated (Oct 2019 - Sep 2020) | Actual (Aug 2019 - Aug 2020) | Forecast (Oct 2020 - Sep 2021) |
| Mill Capacity: N/A | FFB | FFB | FFB |
| | N/A | N/A | N/A |
| SCC Model: N/A | CPO (OER: %) | CPO (OER: %) | CPO (OER: %) |
| | N/A | N/A | N/A |
| | PK (KER: %) | PK (KER: %) | PK (KER: %) |
| | N/A | N/A | N/A |

| 1.9 Actual Sold Volume (CPO) | | | | | |
|-------------------------------------|-----------------------|--------------------------------|-------------|---------------------|--------------|
| CPO (MT) | MSPO Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSPO | | |
| N/A | N/A | N/A | N/A | N/A | N/A |

| 1.10 Actual Sold Volume (PK) | | | | | |
|-------------------------------------|-----------------------|--------------------------------|-------------|---------------------|--------------|
| PK (MT) | MSPO Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSPO | | |
| N/A | N/A | N/A | N/A | N/A | N/A |

Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

Due to the COVID-19 pandemic, this assessment involved a partial remote audit. The remote audit was conducted on 19/08/2020. This on-site assessment was conducted from 28 - 29/09/2020. The audit programme is included as section 2.3. The approach to the audit was to treat the Jobenar Raya Tatau Estate as a MSPO Certification Unit.

A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

The following table would be used to identify the locations to be audited each year in the 5 year cycle

| Assessment Program | | | | | |
|-----------------------------------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------|
| Name (Mill / Plantation / Group smallholders) | Year 1 (Certification) | Year 2 (ASA 1) | Year 3 (ASA 2) | Year 4 (ASA 3) | Year 5 (ASA 4) |
| Jobenar Raya Tatau Estate | x | x | x | x | x |

Tentative Date of Next Visit: August 17, 2021 - August 18, 2021

Total No. of Mandays: 4 Mandays

2.1 BSI Assessment Team

| Team Member Name | Role <i>(Team Leader or Team member)</i> | Qualifications <i>(Short description of the team members)</i> |
|------------------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Muhammad Fadzli Masran | Team Leader | He holds Bachelor Degree in Forestry Science, graduated from University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO 9001 and ISO 14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. Fluent in Bahasa Malaysia and English Language. During this assessment, he assessed on the aspects of mill and estate best practices, waste management, HCV, environmental occupational safety & health social, contracts and workers & stakeholders consultation. He is fluent in Bahasa Malaysia and English languages. |

2.2 Accompanying Persons

| No. | Name | Role |
|-----|------|------|
| | N/A | |

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2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

Remote Audit

| Date | Time | Subjects | (MFM) | ICT Planned |
|------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------------------------------------------------------------------|
| Tuesday 4/8/2020 | 10.00 - 11.00 | Communication on document preparation | √ | Microsoft Teams, Email, WhatsApp Video call, Teleconference |
| Wednesday 19/8/2020 | 09.00 - 09.30 | Opening Meeting: • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan | √ | Microsoft Teams, Email, WhatsApp Video call, Teleconference |
| | 09.30 - 12.30 | Document review P1 – P6 (MSP0 part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any) | √ | Microsoft Teams, Email, WhatsApp Video call, Teleconference |
| | 12.30 - 12.45 | Preparation of audit report | √ | Microsoft Teams, Email, WhatsApp Video call, Teleconference |
| | 12.45 - 13.00 | Closing Meeting | √ | Microsoft Teams, Email, WhatsApp Video call, Teleconference |

On-Site Audit

| Date | Time | Subjects | MFM |
|------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Monday 28/09/2020 | 08.30 - 09.00 | Opening Meeting: • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan | √ |
| Jobenar Raya Tatau Estate | 09.00 - 12.30 | Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. | √ |
| | 09.30 - 12.00 | Stakeholder interviews | √ |
| | 12.30 - 13.30 | Lunch | √ |

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| Date | Time | Subjects | MFM |
|-----------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| | 13.30 - 16.30 | Continue with document review Document review P1 – P6 (MSP0 part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any) | √ |
| Tuesday 29/09/2020 | 08.30 - 11.30 | Continue with document review Document review P1 – P6 (MSP0 part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any) | √ |
| | 11.30 - 12.00 | Preparation of audit report | √ |
| | 12.00 - 12.30 | Closing Meeting | √ |

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following MSPO normative requirements. The assessment details are provided in Appendix A.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were one (1) Major & one (1) Minor nonconformities raised. The Jobenar Raya Tatau Estate Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Non-conformity (ies) has been verified for its effectiveness and closed accordingly.

| Major Nonconformities: | | | | | | | | | | | | |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------|----------|-----------------------------|----------|----------|-------|-----------|----------|-----------|-----------|
| Ref: 1963451-202010-M1 | Area/Process: Jobenar Raya Tatau Estate | Clause: 4.4.5.3 | | | | | | | | | | |
| | Issue Date: 29/09/2020 | Due Date: 29/12/2020 | | | | | | | | | | |
| Requirements: | Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. | | | | | | | | | | | |
| Statement of Nonconformity: | Pay and conditions for harvester working on rest day does not meet Sarawak Labour Ordinance under section 105 (5) | | | | | | | | | | | |
| Objective Evidence: | <p>Noted that harvesters s follows has been working on their rest day in the month of March, April and May 2020. However, they are not paid double rate as per Sarawak Labor Ordinance under section 105 (5) that stated:</p> <p>“An employee employed on piece rates who works on a rest day shall be paid twice his ordinary rate per piece”.</p> <p>The sampled harvester as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Employee No.</th> <th style="width: 30%;">Rest day</th> <th style="width: 40%;">Paid Rate (Normal Rate/ton)</th> </tr> </thead> <tbody> <tr> <td rowspan="5">RAN01-01</td> <td>1/3/2020</td> <td rowspan="5">40.00</td> </tr> <tr> <td>15/3/2020</td> </tr> <tr> <td>5/4/2020</td> </tr> <tr> <td>19/4/2020</td> </tr> <tr> <td>10/5/2020</td> </tr> </tbody> </table> | | Employee No. | Rest day | Paid Rate (Normal Rate/ton) | RAN01-01 | 1/3/2020 | 40.00 | 15/3/2020 | 5/4/2020 | 19/4/2020 | 10/5/2020 |
| Employee No. | Rest day | Paid Rate (Normal Rate/ton) | | | | | | | | | | |
| RAN01-01 | 1/3/2020 | 40.00 | | | | | | | | | | |
| | 15/3/2020 | | | | | | | | | | | |
| | 5/4/2020 | | | | | | | | | | | |
| | 19/4/2020 | | | | | | | | | | | |
| | 10/5/2020 | | | | | | | | | | | |

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| | JAM01-01 | 8/3/0303 15/3/3030 29/3/2020 | 40.00 | | | | | | | | | | | | | | | | |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------|-------------|---|--------------|--------------------|-----------------|--------|---|-------------------------------------------------------------------------------------------------------------|---------|-----------|-------------|---|----------------------------------------------------------------------------------------------------------------------------------------|----|-----------|-------------|
| | USM01-01 | 19/4/2020 | 40.00 | | | | | | | | | | | | | | | | |
| Corrections: | <p><u>Planned action to remove nonconformity, with deadline:-</u> To pay double rate for rest day work on harvesting and other piece rated activities.</p> <p><u>Planned verification of effectiveness of this action, with deadline:-</u></p> <table border="1"> <thead> <tr> <th>#</th> <th>Action Taken</th> <th>Responsible Person</th> <th>Completion Date</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Record of payment based on audit findings</td> <td>HRD, HQ</td> <td>9/11/2020</td> <td>In progress</td> </tr> </tbody> </table> | | | | # | Action Taken | Responsible Person | Completion Date | Status | 1 | Record of payment based on audit findings | HRD, HQ | 9/11/2020 | In progress | | | | | |
| # | Action Taken | Responsible Person | Completion Date | Status | | | | | | | | | | | | | | | |
| 1 | Record of payment based on audit findings | HRD, HQ | 9/11/2020 | In progress | | | | | | | | | | | | | | | |
| Root cause analysis: | Site operation yet fully enforce the requirement because there is no person in charge to do the monitoring activity. | | | | | | | | | | | | | | | | | | |
| Corrective Actions: | <p><u>Planned action to remove nonconformity, with deadline:-</u> Admin Officer will assist Estate Manager to do the monitoring activity to ensure the requirements is fully enforced.</p> <p><u>Planned verification of effectiveness of this action, with deadline:-</u></p> <table border="1"> <thead> <tr> <th>#</th> <th>Action Taken</th> <th>Responsible Person</th> <th>Completion Date</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reminder Email from Sr. HR Manager (HQ) to estate management to enforce the requirements at site operation.</td> <td>HRD, HQ</td> <td>9/11/2020</td> <td>In progress</td> </tr> <tr> <td>2</td> <td>Briefing on the reminder by Operations General Manager & Senior Plantation Manager to all their management staff based at estate site.</td> <td>EM</td> <td>9/11/2020</td> <td>In progress</td> </tr> </tbody> </table> | | | | # | Action Taken | Responsible Person | Completion Date | Status | 1 | Reminder Email from Sr. HR Manager (HQ) to estate management to enforce the requirements at site operation. | HRD, HQ | 9/11/2020 | In progress | 2 | Briefing on the reminder by Operations General Manager & Senior Plantation Manager to all their management staff based at estate site. | EM | 9/11/2020 | In progress |
| # | Action Taken | Responsible Person | Completion Date | Status | | | | | | | | | | | | | | | |
| 1 | Reminder Email from Sr. HR Manager (HQ) to estate management to enforce the requirements at site operation. | HRD, HQ | 9/11/2020 | In progress | | | | | | | | | | | | | | | |
| 2 | Briefing on the reminder by Operations General Manager & Senior Plantation Manager to all their management staff based at estate site. | EM | 9/11/2020 | In progress | | | | | | | | | | | | | | | |
| Assessment Conclusion: | <p>Major NC Close out: Evidence sighted as follows: The estate has conducted briefing to the workers and staff on the Sarawak Labour Ordinance under section 105 (5) on 10/11/2020 The estate has made payment for the underpaid salary for the sampled workers as payment advice dated 03/11/2011. Reviewed the payment advice as follows:</p> <ol style="list-style-type: none"> 1. JRSB/PE20100028 2. JRSB/PE20100159 <p>The estate has conducted the staffs meeting on 10/11/2020. In the meeting, the Operation General Manager has reminded the staff regarding the Sarawak Labour Ordinance under section 105 (5) and to not offer workers to work on Restday and Public holidays.</p> | | | | | | | | | | | | | | | | | | |

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|--|----------------------------------------------------------------------------------------------------------------|
| | The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 07/12/2020. |
|--|----------------------------------------------------------------------------------------------------------------|

Minor Nonconformities:

| Ref: 1963451-202010-N1 | Area/Process: Jobenar Raya Tatau Estate | Clause: 4.5.3.4 | | | | | | | | | | | | | | | | | |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------|--------|---|--------------|--------------------|-----------------|--------|---|------------------------------------------------------------|------------------|------------|--|---|-----------------------------------------------------------|------------------|------------|--|
| | Issue Date: 29/09/2020 | Due Date: Next Assessment | | | | | | | | | | | | | | | | | |
| Requirements: | Empty pesticide containers shall be 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. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. | | | | | | | | | | | | | | | | | | |
| Statement of Nonconformity: | Empty pesticide containers not disposed in an environmentally and socially responsible way | | | | | | | | | | | | | | | | | | |
| Objective Evidence: | During site visit at the line site, it was noted that empty pesticides container was stored under the contractor house, house no. 1, Block D. | | | | | | | | | | | | | | | | | | |
| Corrections: | <p><u>Planned action to remove nonconformity, with deadline:-</u></p> <ol style="list-style-type: none"> To collect and sent all empty pesticide containers to the designated Chemical Premix Store to be manage under Company Scheduled Waste Handling programme for proper treatment and disposal. Conduct awareness briefing to the contractor regarding handling of empty pesticide container under Schedule Waste Regulation requirements and to brief memo on ‘Chemical Container Collection’ to remind that no empty chemical container kept at home but must return all to the Chemical Premix Store. <p><u>Planned verification of effectiveness of this action, with deadline:-</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">#</th> <th style="width: 45%;">Action Taken</th> <th style="width: 20%;">Responsible Person</th> <th style="width: 15%;">Completion Date</th> <th style="width: 15%;">Status</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Progress report of action taken (Before, During and After)</td> <td>MSPO coordinator</td> <td>20/10/2020</td> <td></td> </tr> <tr> <td style="text-align: center;">2</td> <td>Training report on chemical container handling awareness.</td> <td>MSPO coordinator</td> <td>21/10/2020</td> <td></td> </tr> </tbody> </table> | | | | # | Action Taken | Responsible Person | Completion Date | Status | 1 | Progress report of action taken (Before, During and After) | MSPO coordinator | 20/10/2020 | | 2 | Training report on chemical container handling awareness. | MSPO coordinator | 21/10/2020 | |
| # | Action Taken | Responsible Person | Completion Date | Status | | | | | | | | | | | | | | | |
| 1 | Progress report of action taken (Before, During and After) | MSPO coordinator | 20/10/2020 | | | | | | | | | | | | | | | | |
| 2 | Training report on chemical container handling awareness. | MSPO coordinator | 21/10/2020 | | | | | | | | | | | | | | | | |
| Root cause analysis: | The monitoring activity was not in regular schedule for site inspection, briefing awareness and implementation according to SOP and reminder Notice. | | | | | | | | | | | | | | | | | | |
| Corrective Actions: | <p><u>Planned action to remove nonconformity, with deadline:-</u></p> <ol style="list-style-type: none"> To collect and sent all empty pesticide containers to the designated Chemical Premix Store to be manage under Company Scheduled Waste Handling programme for proper treatment and disposal. Conduct awareness briefing to the contractor regarding handling of empty pesticide container under Schedule Waste Regulation requirements and to brief memo on ‘Chemical Container Collection’ to remind that no empty chemical container kept at home but must return all to the Chemical Premix Store. | | | | | | | | | | | | | | | | | | |

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| | Planned verification of effectiveness of this action, with deadline:- | | | | |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-----------------|--------|
| | # | Action Taken | Responsible Person | Completion Date | Status |
| | 1 | Progress report of action taken (Before, During and After) | MSPO coordinator | 20/10/2020 | |
| | 2 | Training report on chemical container handling awareness. | MSPO coordinator | 21/10/2020 | |
| Assessment Conclusion: | The corrective action plan submitted was adequate. This is minor non-conformity. The effectiveness implementation of the CAP will be assessed during next assessment. | | | | |

| Opportunity For Improvement | | |
|-----------------------------|----------------------|----------------|
| Ref: | Area/Process: | Clause: |
| Objective Evidence: | N/A | |

| Noteworthy Positive Comments | |
|------------------------------|----------------------------------------------|
| 1 | Good commitment by the management |
| 2 | Good relationship with adjacent stakeholders |

3.3 Status of Nonconformities Previously Identified and OFI

| Major Nonconformities: | | |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Ref: 1817556-201903-M1 | Area/Process: Jobenar Raya Tatau Estate | Clause: 4.4.5.3 |
| | Issue Date: 29/08/2019 | Due Date: 29/11/2019 |
| Requirements: | Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. | |
| Statement of Nonconformity: | Pay and conditions for daily rated and piece rated workers does not meet Sarawak Labour Ordinance under section 105 (5) | |
| Objective Evidence: | Pay and conditions for daily rated and piece rated workers does not meet Sarawak Labour Ordinance. Sample of payslips/check roll/attendance and payment advice (piece rated) checked: Daily rated workers i) MY00001553, June 2019, check roll/work attendance (Sunday work – 23/6/19 ii) MY00000979, June 2019, check roll/work attendance, (Sunday work – 23/6/19 Piece rated workers i) AT095508, May 2019, check roll for May 2019 (Sunday work – 5/5/19 and 26/5/19) ii) B7917272, July 2019, payment advice, (Sunday work -7/7/19 tonnage- 3.7797mt @ 200 bunches x normal rate of RM34/mt) | |
| Corrections: | To reimburse workers based on audit findings. | |
| Root cause analysis: | The monitoring activity was not in regular schedule | |

| | |
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| Corrective Actions: | <ol style="list-style-type: none"> To ensure that any relevant memo/ circular is updated with the latest statutory requirement. Senior HR Executive & HR Executive (2 persons) at Head Office will be assigned to assist in monitoring company internal policy (memo/ circular, etc) and to inform the management if there any need for the policy to be reviewed to meet the latest statutory requirements on Labour Ordinance Sarawak (Act A1237), Section 105C. |
| Assessment Conclusion: | <p>Evidence submitted:</p> <ol style="list-style-type: none"> Reimbursement payment for the said workers as per payslip period 9/2019 Internal Memo to the Senior HR Executive & HR Executive for appointment to assist in monitoring company internal policy (memo/ circular, etc) and to inform the management if there any need for the policy to be reviewed to meet the latest statutory requirements on Labour Ordinance Sarawak (Act A1237), Section 105C. Refer communication email dated 30/10/2019 <p>The evidence of the correction and corrective action were adequate to close the NCR. Effectiveness of the implementation shall be verified in the next assessment.</p> |
| Verification Statement | There is recurrence non-conformity on this criteria. Major non-conformity has been issued. Refer major nonconformity no. 1963451-202010-M1. The major NC was closed on 07/12/2020. |

| Major/Minor Nonconformities: | | |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Ref: 1817556-201903-N1 | Area/Process: Jobenar Raya Tatau Estate | Clause: 4.4.4.2 |
| | Issue Date: 29/08/2019 | Due Date: 29/09/2020 |
| Requirements: | The occupational safety and health plan shall cover the following: <ol style="list-style-type: none"> A safety and health policy, which is communicated and implemented. The risks of all operations shall be assessed and documented. | |
| Statement of Nonconformity: | The safety and health policy and existing control in HIRARC Register is not effectively implemented | |
| Objective Evidence: | Noted during site visit and interview with the harvester, sighted the harvester wear short pants which are suitable. In the HIRARC register, clearly stated that harvester must wear long trousers in current control measures. | |
| Corrections: | <ol style="list-style-type: none"> Inspection and enforcement to monitor of PPE usages. Promote awareness among the co-worker regarding the PPE and suitable clothing for working. | |
| Root cause analysis: | <ol style="list-style-type: none"> Poor supervision from estate team management. Safety awareness training is not carry out regularly to continuously educate workers. | |
| Corrective Actions: | <ol style="list-style-type: none"> To plan schedule for inspection and enforcement to monitor of PPE usages. To brief during induction laws and regulation before worked in Jobenar Raya Sdn. Bhd. To give safety and health awareness from time to time. | |
| Assessment Conclusion: | <p>Evidence submitted:</p> <ol style="list-style-type: none"> Workplace inspection records dated 4/10/2019 and 18/10/2019. Nonconformance report issued dated 5/10/2019 and 18/10/2019. | |

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| | <p>ii. HIRARC review dated 28/10/2019.</p> <p>iii. Workplace inspection summary records for month of October 2019 dated 28/10/2019.</p> <p>iv. Safety and Health Committee Workplace Inspection Meeting dated 21/10/2019</p> <p>v. Training records as follows:</p> <p>a. SSOP for harvesting, cut or prune with parang or knife and PPE training dated 5/10/2019.</p> <p>b. SSOP for harvesting, cut or prune with parang or knife and PPE training dated 19/10/2019.</p> <p>The effectiveness of the implementation will be verified during next assessment</p> |
| Verification Statement | No recurrence issue on the non-conformity. The minor NC is effectively closed. |

3.4 Summary of the Nonconformities and Status



| CAR Ref. | CLASS | ISSUED | STATUS |
|-------------------|-------|------------|-----------------------|
| 1608454-201802-M1 | Major | 19/03/2018 | Closed on 21/05/2018. |
| 1608454-201802-M2 | Major | 19/03/2018 | Closed on 21/05/2018. |
| 1608454-201802-M3 | Major | 19/03/2018 | Closed on 21/05/2018. |
| 1817556-201903-M1 | Major | 29/08/2019 | Closed on 04/11/2019. |
| 1817556-201903-N1 | Minor | 20/08/2019 | Closed on 29/09/2020 |
| 1963451-202010-M1 | Major | 29/09/2020 | Closed on 07/12/2020 |
| 1963451-202010-N1 | Minor | 29/09/2020 | Open |

3.5 Issues Raised by Stakeholders

| IS # | Description |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Issues: <u>Workers' Representatives</u> Overtime and basic salary were on time and paid accordingly. No discrimination occur between locals and foreign worker as well as among male and female. |
| | Management Responses: Estate will continue the good practices. |
| | Audit Team Findings: No further issue. |
| 2 | Issues: <u>Contractors</u> Contractors are having a valid contract with Jobenor Jaya Estate and payments were made accordingly. Their workers are staying outside the estate since the workers are locals. No other issue raised. |
| | Management Responses: Estate will continue the good practices. |

| | |
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| | <p>Audit Team Findings: No further issue.</p> |
| 3 | <p>Issues: <u>Long house representative</u> The estate management maintain good relationship with the long house. The estate always provide helps when requested by the long house and always made contribution and attend any ceremony organized by the long house. The estate provide job opportunity for the long house villagers.</p> <p>Management Responses: Estate will continue the good practices.</p> <p>Audit Team Findings: No further issue.</p> |

Section 4: Assessment Conclusion and Recommendation

| Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Based on the findings during the assessment Jobenar Raya Tatau Estate Certification Unit complies with the MS 2530-3:2013. It is recommended that the certification of Jobenar Raya Tatau Estate Certification Unit is approved and/or continued. | |
| Acknowledgement of Assessment Findings | Report Prepared by |
| Name: Raymond Nyian | Name: Muhammad Fadzli b. Masran |
| Company name: Palmgroup Holdings Sdn Bhd | Company name: BSI Services Malaysia Sdn. Bhd |
| Title: Manager, Sustainability | Title: Client Manager |
| Signature:  | Signature:  |
| Date: 31/05/2021 | Date: 31/05/2021 |
| Date: 31/05/2021 | Date: 31/05/2021 |

Appendix A: Summary of the findings by Principles and Criteria

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 4.1 Principle 1: Management commitment & responsibility | | | |
| Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy | | | |
| 4.1.1.1 | A policy for the implementation of MSPO shall be established. - Major compliance - | Jobenar Raya Sdn Bhd has established a policy on sustainable palm oil production. Signed by MD, Mr Tiong Chiong Hee dated 5/5/2017. Refer MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016, version 1 dated 20/4/2016. | Complied |
| 4.1.1.2 | The policy shall also emphasize commitment to continual improvement. - Major compliance - | The established policy has emphasized on the commitment for key legal, social and environmental consideration with the objective of improving the estate operation. | Complied |
| Criterion 4.1.2 – Internal Audit | | | |
| 4.1.2.1 | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance - | Jobenar Raya Sdn Bhd has established Internal Audit Procedure under the MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016, version 1 dated 20/4/16. The Internal Audit covered both documentation and field operations. Rating was given based on audit finding. The Sustainable Unit, has established TQM Sustainability Audit Visit Plan for Year 20xx and communicated with the operating units TQM Sustainability Audit Visit Plan for Year 2020. Prior to the Internal Audit, the Lead Auditor will submit the audit Plan. Sighted the MSPO Internal Audit Plan (Remote Audit) for Year 2020 dated 18/5/2020. | Complied |
| 4.1.2.2 | The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of | Latest internal audit conducted on 29th June – 3rd July 2020 by the Sustainable Unit. The audit has been conducted remotely due to Movement Control Order in Sarawak. 61 findings were identified during | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance - | the audit. The estate has submitted the Corrective Action Plan and the evidence of the NC as per report dated 27/9/2020 | |
| 4.1.2.3 | Report shall be made available to the management for their review. - Major compliance - | Internal Audit Result and Summary Report dated 6/7/2020 and Evidence Acceptance for Internal Audit dated 27/9/2020 was made available for management review. | Complied |
| Criterion 4.1.3 – Management Review | | | |
| 4.1.3.1 | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance - | Latest MSPO Management Review was carried out on 9/7/2020. Minute Meeting of Management Review MSPO was available. All pertinent elements for MSPO implementation has been reviewed and presented to top management. | Complied |
| Criterion 4.1.4 – Continual Improvement | | | |
| 4.1.4.1 | The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance - | The estate has established continuous improvement plan based on the significant impact activity identified based Social Impact Assessment and Environmental impact Assessment. The action plan was documented in Environmental Continual Improvements Plan 2020 dated 3/3/2020 and Social Continual Improvement Plan 2020 dated 6/1/2020 | Complied |
| 4.1.4.2 | The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance - | Palmgroup Holdings has established SOP on Procedures on Handling New Information & Techniques or New Industry Standard & Technology. Refer document no. PGHSB/SOPP/005/2018 rev 1 dated June 2018. | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | | In the SOP stated that information on the new technologies can be obtained through approach from suppliers, attending seminar, exchange information with other estates and internet. | |
| 4.1.4.3 | An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance - | Palmgroup Holdings has established SOP on Procedures on Handling New Information & Techniques or New Industry Standard & Technology. Refer document no. PGHSB/SOPP/005/2018 rev 1 dated June 2018. If there is any new techniques or new industry standard or technology suitable to be implemented by the company, action plan is normally incorporated in the company's training plan where type of training is identified, date of training, identified participants and training provider. | Complied |
| 4.2 Principle 2: Transparency | | | |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements | | | |
| 4.2.1.1 | The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance - | Palmgroup Holdings has established SOP for Application for Company Information procedures. Refer document no. PGHSB/SOPP/002/2018 rev. 1 dated Jan 2018. Information requested by relevant stakeholders was communicated in appropriate languages and forms as per sighted Procedure of Application for Company's Information & Application for Company Information Flow Chart that requires stakeholder need to fill in Information Request Form. Sighted the implementation of the SOP as recorded in "Records Book of Stakeholders or Interested Party Who Has Viewed/Obtained Documents". | Complied |

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| Criterion / Indicator | Assessment Findings | Compliance |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <p>4.2.1.2 Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p> | <p>The estate has also listed documents for publicly available as per memorandum dated 22/1/2020. Document listed as publicly available in the estate such as:</p> <p>Safety and health plans;</p> <p>Plans and impact assessments relating to environment and social impacts;</p> <p>Pollution prevention and reduction plans;</p> <p>Details of complaints and grievances;</p> <p>Negotiation procedures;</p> <p>Continual improvement plans.</p> | <p>Complied</p> |
| <p>Criterion 4.2.2 – Transparent method of communication and consultation</p> | | |
| <p>4.2.2.1 Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p> | <p>Palmgroup Holdings has established SOP for consultation and communication for all operation units under the group company and documented in SOP as follows:</p> <p>Complaint and Grievance Policy signed by Managing Director on 5/5/2017</p> <p>Communication and Consultation Procedures. Refer document no. PGHSB/SOPP/001/2015 (2019-02), ver. 2, date issued: 15/4/19</p> <p>Complaint and Grievance Procedures. Refer document no. PGHSB/SOPP/002/2015, ver. 1, date issued: 21/12/2015</p> <p>Task: TQM Management Plan on Grievance and Complaint Procedure-C6.3</p> | <p>Complied</p> |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | | Flowchart of Complaint in Flowchart of Complaint in Jobenar Raya Tatau Estate. | |
| 4.2.2.2 | A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance - | The estate has appointed Field Supervisor and Admin Executive as person responsible for issues related to consultation and communication with the relevant stakeholders as per appointment letter for Estate Social and Legal Coordinator dated 3/3/2020. Refer letter no. JRSB/SL/003 and JRSB/SL/004. | Complied |
| 4.2.2.3 | List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance - | The estate has listed all the relevant stakeholders in Register of Stakeholders, refer document no. ST02. The register was reviewed on annually basis. The stakeholders were categorized into: Supplier Government Body Community Group & NGO Local Community Internal Stakeholder External stakeholders Records of consultation and communication was recorded in Monitoring of Action Request, refer document no. ST19. | Complied |
| Criterion 4.2.3 – Traceability | | | |
| 4.2.3.1 | The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance - | SOP on the traceability of the FFB has been established under Guidelines on Traceability Procedures, PGHSB/SOPP/001/2017, rev: 01 dated November 2016. | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 4.2.3.2 | <p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p> | <p>The estate has established Traceability Inspection Checklist. The rating were given as follows:</p> <p>0 – Not Comply 1 – OK-Satisfactory 2 Yes-Excellent</p> <p>The information in the checklist includes Field no., Assessment Team, date of inspection, no of workers at the field and person responsible. Among the items monitored in the checklist such as</p> <p>Field Condition Safe handling Quality Harvesting Loose fruit Collection Production Recording</p> <p>Reviewed the inspection records dated 30/06/2020.</p> | Complied |
| 4.2.3.3 | <p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p> | <p>The estate has appointed the Assistant Manager as Person Responsible to maintain the traceability system in the estate as per appointment letter no. PPSPSB/TSL/17-001 dated 25/06/2020 signed by the Estate Manager. In the appointment letter stated the jobs description as Traceability Coordinator.</p> | Complied |
| 4.2.3.4 | <p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p> | <p>Based in verification of FFB delivery documents such as FFB dispatch chit, mill weighbridge ticket, FFB daily records book and monthly summary of FFB dispatch, the traceability was found to be in order.</p> | Complied |

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|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | | <p>The information about date of delivery, origin field of FFB, weight and number of bunches was well recorded.</p> <p>Reviewed the FFB delivery records as follows:</p> <p>Bunch count chit no. 2068602, 2068601,2068603, 2068604</p> <p>FFB Dispatch chit no. 74183</p> <p>Mill weighbridge ticket no. 321270</p> | |
| 4.3 Principle 3: Compliance to legal requirements | | | |
| Criterion 4.3.1 – Regulatory requirements | | | |
| 4.3.1.1 | <p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p> | <p>The estate continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team. The estate had obtained and renewed license and permits as required by the law.</p> | Complied |
| 4.3.1.2 | <p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p> | <p>The estate has identified all applicable laws and other requirements and documented in Legal Register. Refer doc. no. OT05. The list was updated if there any updated to the Legal Register.</p> <p>Among the latest updated to the legal register as follow:</p> <p>Akta Pencegahan Dan Pengawalan Penyakit Berjangking 1988 (Akta 342)</p> <p>Protection of Public Health Ordinance, 1999 (Chap. 30 - Laws of Sarawak)</p> | Complied |
| 4.3.1.3 | <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> | <p>The Sustainability Unit (in HQ) is responsible to update the legal requirements register. The most common method used were obtaining information from websites of government agencies and news. The</p> | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------|---------|----------------------------|-------------------------|---------|----------------------------|-------------------------|--------|----------|
| | - Major compliance - | Legal Register was updated if there any updated version or new applicable law or other requirements. | | | | | | | | | | |
| 4.3.1.4 | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance - | The Sustainability Unit (in HQ) is responsible to update the legal requirements register and will communicated to all operating units through email and internal memo. The most common method used were obtaining information from websites of government agencies and news. | Complied | | | | | | | | | |
| Criterion 4.3.2 – Lands use rights | | | | | | | | | | | | |
| 4.3.2.1 | The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance - | The was no evidence to show that oil palm cultivation activities in both estates visited had diminished the land use rights of others. Verified documents to show legal ownership of its land. | Complied | | | | | | | | | |
| 4.3.2.2 | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance - | Documents showing legal ownership or lease, history of land tenure and the actual use of the land was verified as per the following: Sighted the sampled land title as follows: <table border="1" data-bbox="1048 986 1870 1204"> <thead> <tr> <th>Land Title no.</th> <th>Lot no.</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>TRN: 09-LCLS-045-019-00002</td> <td>Lot 2, Section/Block 19</td> <td>1950 ha</td> </tr> <tr> <td>TRN: 09-LCLS-045-012-00002</td> <td>Lot 2, Section/Block 12</td> <td>959 ha</td> </tr> </tbody> </table> | Land Title no. | Lot no. | Hectare | TRN: 09-LCLS-045-019-00002 | Lot 2, Section/Block 19 | 1950 ha | TRN: 09-LCLS-045-012-00002 | Lot 2, Section/Block 12 | 959 ha | Complied |
| Land Title no. | Lot no. | Hectare | | | | | | | | | | |
| TRN: 09-LCLS-045-019-00002 | Lot 2, Section/Block 19 | 1950 ha | | | | | | | | | | |
| TRN: 09-LCLS-045-012-00002 | Lot 2, Section/Block 12 | 959 ha | | | | | | | | | | |
| 4.3.2.3 | Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. | The legal perimeter boundary markers were clearly demarcated and visibly maintained on the ground as per sample sighted in the field block boundary to stakeholder area visited. | Complied | | | | | | | | | |

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| | - Major compliance - | | |
| 4.3.2.4 | Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance - | No disputes have been recorded in all sample estates area. There is no evidence of conflict present in this estate. There is no violence on instigated violence in maintaining peace because company has clear procedures for land conflict. There is no land dispute for the estates. | Complied |
| Criterion 4.3.3 – Customary rights | | | |
| 4.3.3.1 | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance - | There is no customary land within or surrounding in the estate. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership. | Complied |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance - | There is no customary land within or surrounding in the estate. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership. | Complied |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance - | There is no customary land within or surrounding in the estate. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership. | Complied |
| 4.4 Principle 4: Social responsibility, health, safety and employment condition | | | |
| Criterion 4.4.1: Social Impact Assessment (SIA) | | | |
| 4.4.1.1 | Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. | An impact assessment on social and environment for the estate has been conducted by the Manager, Sustainability. A Social Continual Improvement plan has been established base on the results of the | Complied |

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| <p>- Minor compliance -</p> | <p>impact assessment. Among the risk identified in the assessment as follows:</p> <ul style="list-style-type: none"> SR0: Social Management System Stakeholder Register Communication and consultation mechanism Public transparency Complaint and Grievance Policies and SOPs SR1: Local community Free, prior, inform and consent (FPIC) SR2: Traceability & fair trade FFB origins, supply and pricing SR3: OSH Health and safety at workplace and line site SR4: Work conditions Decent living wage (DLW) Freedom of association and right to bargain collectively Equal opportunity (non-discrimination) Forced labor SR5: Living conditions | |

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| | | <p>Accommodations, facilities, etc.</p> <p>SR6: Women and children</p> <p>Women rights: sexual harassment</p> <p>Children: child labor</p> <p>In the management plan established includes the action required, indicator to monitor, monitoring point, timeline and person responsible.</p> <p>Among monitoring point implemented in the management plan such as ST19 form: Monitoring of action request, complaint and grievances form, feedback and response to complaint, CSR records and training records.</p> | |
| Criterion 4.4.2: Complaints and grievances | | | |
| 4.4.2.1 | <p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p> | <p>The estate adapt the established SOP to deal with complaints and grievances and documented in Complaint and Grievance Procedure. Refer document no. PHGSB/SOPP/002/2015 ver. 1 dated 21/12/2015.</p> | Complied |
| 4.4.2.2 | <p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p> | <p>The estate adapt the established SOP to deal with complaints and grievances. The system able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>Based on the SOP established, all complaint or grievances must be recorded in the 'Borang Aduan". In the form stated the complainant information, complaint type, complaint details, action to be taken, and complaint status and complainant verification.</p> | Complied |

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|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | | Reviewed the complaint made through "Borang Aduan" dated 17/06/2020 and 19/06/2020. The complaint on the housing issue has been resolved and acknowledged by the complainant. | |
| 4.4.2.3 | A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance - | Based on the SOP established, all complaint or grievances must be recorded in the 'Borang Aduan" which available and accessible to the stakeholders. Noted during interview with the stakeholders, they were aware of the "Borang Aduan". Reviewed the complaint made through "Borang Aduan" dated 17/06/2020 and 19/06/2020. The complaint on the housing issue has been resolved and acknowledged by the complainant. | Complied |
| 4.4.2.4 | Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance - | Based on the SOP established, all complaint or grievances must be recorded in the 'Borang Aduan" which available and accessible to the stakeholders. Noted during interview with the employee and stakeholders, they were aware of the "Borang Aduan". Most of the complaint raised through verbal and recorded in the complaint form. | Complied |
| 4.4.2.5 | Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance - | All complaint or grievances must be recorded in the "Borang Aduan". The estate maintain complaint and grievances since 2016. Reviewed the complaint made through "Borang Aduan" dated 17/06/2020 and 19/06/2020. The complaint on the housing issue has been resolved and acknowledged by the complainant. | Complied |
| Criterion 4.4.3: Commitment to contribute to local sustainable development | | | |
| 4.4.3.1 | Growers should contribute to local development in consultation with the local communities. - Minor compliance - | The management has allocated some fund for local contribution and donation. Besides, the estate also made contribution to longhouse for festival celebration and school teacher's day celebration etc. | Complied |
| Criterion 4.4.4: Employees safety and health | | | |

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| Criterion / Indicator | | Assessment Findings | Compliance |
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| 4.4.4.1 | <p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p> | <p>The company has established Safety and Health Policy signed by the Managing Director dated 1/1/2019. In the policy stated the commitment of the company to ensure the estate area is safe and healthy to all its workers and to everyone who is involve in its estate activities. The policy was available in Bahasa Malaysia and English.</p> <p>The policy was communicated to all the employee through briefing, training and displayed on signboard at designated place at the estate.</p> <p>The estate has established safety and health plan. Reviewed the sampled implementation as follows:</p> <p>Medical surveillance has been conducted as per recommendation in the CHRA. Latest medical surveillance was conducted on 26/2/2020 by registered OHD with no. HQ/08/DOC/00/422.</p> <p>Workplace inspection was conducted on quarterly basis prior to Safety and Health Committee meeting. The results were discussed in the Safety and Health Committee. Reviewed the minutes meeting dated 23/01/2020.</p> | Complied |
| 4.4.4.2 | <p>The occupational safety and health plan shall cover the following:</p> <p>A safety and health policy, which is communicated and implemented.</p> <p>The risks of all operations shall be assessed and documented.</p> <p>An awareness and training programme which includes the following requirements for employees exposed to pesticides: all employees involved shall be adequately trained on safe working practices</p> | <p>Jobenar Raya Sdn Bhd has established Safety and Health Policy signed by the Managing Director dated 1/1/2019. The policy was communicated to all the employee through briefing, training and displayed on signboard at designated place at the estate.</p> <p>The estate has conducted risk assessment on all main and support operations in the estate and documented in the HIRARC register. The HIRARC was reviewed on annually basis or when necessary.</p> <p>The management have provided appropriate PPE to all workers base on type of work requirement. Sighted the PPE issue recorded in 'Rekod Pengeluaran Alatan Perlindungan Diri'.</p> | Complied |

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| <p>all precautions attached to products shall be properly observed and applied</p> <p>The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> | <p>All workers involve with pesticides handling was provided with continuous training as planned in the training program.</p> <p>The management has established Safety Operation procedure for chemical handling – Chemical and Fertilizer store, Chemical mixing and Chemical spraying. Noted during site visit, the chemical was stored in the designated store under lock and key. The balance chemical from the premixing of chemicals was stored back in the chemical store.</p> <p>Jobenar Raya Sdn Bhd has appointed the Estate Manager as Safety and Health committee Chairman as per appointment letter signed by the Operational General Manager dated 23/1/2019. The estate management has appointed safety and health consist of secretary, management representative and employee representative. The committee conducted meeting on quarterly basis to discuss on safety and health issue such as workplace inspection reports, training reports, accidents reports, medical surveillance and etc. Sighted the minutes dated 23/01/2020.</p> <p>The estate has established accident and emergency procedures and documented in Plantation Fire Preparedness Plan and Responds Plan. Noted during interview with workers, they can explained the emergency response procedure during fire incident at line site.</p> <p>The first aid box was provided at few station at workplace with responsible first aider. The estate conducted first aid kit monitoring on monthly basis. Latest monitoring was conducted on 01/08/2020.</p> <p>Accident records were maintain and updated by the Safety and Health Coordinator and reported to the HQ on monthly basis. The accident records was discuss during safety and health committee meeting conducted on quarterly basis.</p> | |

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| | Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. - Major compliance - | Reviewed the JKPP 8 submitted through MyKKP on 13/01/2020 with 1 accident recorded. | |
| Criterion 4.4.5: Employment conditions | | | |
| 4.4.5.1 | The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees. - Major compliance - | The policies on good social practices regarding human rights in respect of industrial harmony for Palmgroup Holdings Sdn. Bhd. were established as following: Employment Policy. Refer document no. PGHSB/SOPP/011/2016, Ver. 01, dated 22/02/2016 Child Labour Policy. Refer document no. PGHSB/SOPP/005/2016, Ver. 02, dated 05/05/2017 Equal Opportunity Policy. Refer document no. PGHSB/SOPP/007/2016, Ver.02, dated 05/05/2017 Special Labour and Forced Labour Policy. Refer document no. PGHSB/SOPP/008/2017, Ver. 02, dated 05/05/2017 Freedom of Association & Collective Bargaining Policy. Refer document no. PGHSB/SOPP/009/2017, Ver. 02, dated 05/05/2017 Human Rights Policy. Refer document no. PGHSB/SOPP/010/2017, Rev. 02 , dated 05/05/2017 Sexual Harassment Policy. Refer document no. PGHSB/SOPP/012/2017, Rev. 02, dated 05/05/2017 Women Rights Policy. Refer document no. PGHSB/SOPP/013/2017; Rev. 02, , dated 05/05/2017 | Complied |

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| | | <p>Zero Burning Policy. Refer document no. PGHSB/SOPP/014/2015; Rev. 01, , dated 21/07/2015</p> <p>Complaints and Grievance Procedures. Refer document no. SOPP/002</p> <p>Communication and Consultation Procedures. Refer document no. SOPP/00</p> | |
| 4.4.5.2 | <p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p> | <p>The estate adapt the company Equal Opportunity Policy. Refer document no. PGHSB/SOPP/007/2016, Ver.02, dated 05/05/2017.</p> <p>There are no discriminatory practices in the estate. The workers were equally treated for male and female and locals and foreign workers. All workers receive free accommodation, electricity, medical and insurance as stated in the employment contract. Reviewed employment contract for employee with passport no/identification card no as follows:</p> <p>9403xx-1359xx</p> <p>9709xx-13-59xx</p> <p>C0214xxx</p> <p>AU349xxx</p> <p>B1821xxx</p> <p>AU349xxx</p> <p>AU349xxx</p> <p>AT731xxx</p> <p>AS633xxx</p> | Complied |

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| <p>4.4.5.3 Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p> | <p>Pay and conditions for daily rated and piece rated workers does not meet Sarawak Labour Ordinance.</p> <p>Noted that harvesters as follows has been working on their rest day in the month of March, April and May 2020. However, they are not paid double rate as per Sarawak Labor Ordinance under section 105 (5) that stated:</p> <p>"An employee employed on piece rates who works on a rest day shall be paid twice his ordinary rate per piece".</p> <p>The sampled harvester as follows:</p> <table border="1" data-bbox="1048 767 1664 1161"> <thead> <tr> <th>Employee No.</th> <th>Rest day</th> <th>Paid Rate (Normal Rate/ton)</th> </tr> </thead> <tbody> <tr> <td>RAN01-01</td> <td>1/3/2020 15/3/2020 5/4/2020 19/4/2020 10/5/2020</td> <td>40.00</td> </tr> <tr> <td>JAM01-01</td> <td>8/3/0303 15/3/3030 29/3/2020</td> <td>40.00</td> </tr> <tr> <td>USM01-01</td> <td>19/4/2020</td> <td>40.00</td> </tr> </tbody> </table> | Employee No. | Rest day | Paid Rate (Normal Rate/ton) | RAN01-01 | 1/3/2020 15/3/2020 5/4/2020 19/4/2020 10/5/2020 | 40.00 | JAM01-01 | 8/3/0303 15/3/3030 29/3/2020 | 40.00 | USM01-01 | 19/4/2020 | 40.00 | <p>Major NC</p> |
| Employee No. | Rest day | Paid Rate (Normal Rate/ton) | | | | | | | | | | | | |
| RAN01-01 | 1/3/2020 15/3/2020 5/4/2020 19/4/2020 10/5/2020 | 40.00 | | | | | | | | | | | | |
| JAM01-01 | 8/3/0303 15/3/3030 29/3/2020 | 40.00 | | | | | | | | | | | | |
| USM01-01 | 19/4/2020 | 40.00 | | | | | | | | | | | | |
| <p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p> | <p>No external contractors employees involved in direct estate core operations such as spraying, manuring, rat baiting and spraying.</p> <p>The estate only engage the contractor for FFB transportation.</p> | <p>Complied</p> | | | | | | | | | | | | |

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| 4.4.5.5 | <p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p> | <p>The estate has established employee master list documented in the List of Daily Workers. Refer document no.ST 03. Reviewed the List of Daily Workers dated 25/06/2020.</p> <p>In the employee master list stated the information as follows:</p> <p>Name</p> <p>Date of Birth</p> <p>ID no.</p> <p>Nationality</p> <p>Commenced date</p> <p>Service end date</p> <p>Workstation</p> <p>Type of work</p> <p>Category of work</p> | Complied |
| 4.4.5.6 | <p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p> | <p>All workers were provided with fair contracts. The contracts has been brief to the employee before signed by both employer and employee and a witness. Copy of contract were available for review in the state office. Reviewed sample employment contracts as follows:</p> <p>9403xx-13-59xx signed on 12/11/2015</p> <p>9709xx-13-59xx signed on 20/04/2016</p> <p>C0214xxx signed on 14/04/2019</p> <p>AU349xxx signed on 06/01/2019</p> <p>B1821xxx signed on 04/01/2019</p> | Complied |

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| | | AU349xxx signed on 04/01/2019 AU349xxx signed on 07/01/2019 AT731xxx signed on 04/01/2019 AS633xxx signed on 14/01/2019 | |
| 4.4.5.7 | <p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p> | <p>Check roll and Pay slip for month of March, April May 2020 (3 harvesters, 3 sprayers, 2 general workers, 2 securities)</p> <p>The estate implement the checkroll system to records the working hours for all workers. Verified the working hours and overtime data in checkroll, and payslips found all the data were consistent. Reviewed the data of check roll and pay slip for month of March, April and May 2020 for employee as follows:</p> <p>9403xx-1359xx 9709xx-13-59xx C0214xxx AU349xxx B1821xxx AU349xxx AU349xxx AT731xxx AS633xxx</p> | Complied |

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| <p>4.4.5.8 The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p> | <p>Based on the agreement, Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to the Sarawak Labour Ordinance.</p> <p>The overtime rate after 8 hours daily rated is: (general workers/upkeep/maintenance)</p> <ul style="list-style-type: none"> - Mon - Sat – daily rated / 8 hours x 1.5 - Sunday - daily rated / 8 hours x 2.0 - Public holiday – daily rated / 8 hours x 3.0 <p>The overtime rate after 8 hours piece rated is: (harvesters)</p> <ul style="list-style-type: none"> - Mon - Sat – flat rate - Sunday – flat rate x 2.0 - Public holiday – flat rate x 3.0 | <p>Complied</p> |
| <p>4.4.5.9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p> | <p>Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made. Deductions were based on following permits:</p> <p><i>i) Permit potongan daripada gaji pekerja di bawah seksyen 114 ordinan buruh (Sarawak bab 76) no. siri: JTKSWK/PG/039/17/(BTU); dated 6/12/2017 for canteen deduction</i></p> <p><i>ii) Permit potongan daripada gaji pekerja di bawah seksyen 114 ordinan buruh (Sarawak bab 76) no. siri: JTKSWK/PG/023/18/(BTU); dated 22/3/18 for loan deduction</i></p> | <p>Complied</p> |

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| <p>4.4.5.10 Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p> | <p>The management provided free medical facilities to all the workers and dependents. The company also subsidized water and electricity to all the employee.</p> <p>New employees arriving from overseas are given the basic necessities and food and a return air tickets each for a contracted period.</p> | <p>Complied</p> |
| <p>4.4.5.11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p> | <p>As minimum, line site inspection has been conducted by site safety officer in 3 monthly basis. Inspection has yet to be conducted as the annual inspection plan. As for Sarawak, Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) is not applicable. Refer to letter from Labour Department, ref. no.: JTKSWK/DA/(S)18 JLD 3 (27) dated 15/5/18.</p> <p>Sighted during site visit at the linesite, the workers housing were found clean and conducive conditions. The old wooden house were in progress to be replace with new concrete house.</p> | <p>Complied</p> |
| <p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p> | <p>The company has established policy on sexual harassment and violence at workplace as follows:</p> <p>Sexual Harassment Policy. Refer document no. PGHSB/SOPP/012/2017, Rev. 02, dated 05/05/2017</p> <p>Women Rights Policy. Refer document no. PGHSB/SOPP/013/2017; Rev. 02, , dated 05/05/2017</p> <p>The policy were communicated to all workers during morning muster briefing and displayed at several designated places in the estate.</p> | <p>Complied</p> |
| <p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees</p> | <p>The company has established policy for the right of all employees to form or join trade union as follows:</p> | <p>Complied</p> |

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| | <p>shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p> | <p>Freedom of Association & Collective Bargaining Policy. Refer document no. PGHSB/SOPP/009/2017, Ver. 02, dated 05/05/2017</p> <p>The policy were communicated to all workers during morning muster briefing and displayed at several designated places in the estate.</p> <p>The estate has established Joint Consultative Committee. Reviewed the minutes of JCC and Estate Management Meeting dated 19/12/2019.</p> | |
| 4.4.5.14 | <p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.</p> <p>- Major compliance -</p> | <p>The company has established labour policy and child labour policy as follows:</p> <p>Employment Policy. Refer document no. PGHSB/SOPP/011/2016, Ver. 01, dated 22/02/2016</p> <p>Child Labour Policy. Refer document no. PGHSB/SOPP/005/2016, Ver. 02, dated 05/05/2017</p> <p>Based on the employee masterlist and interview with the workers, no evidence of person below 18 years old were employed by the estate.</p> | Complied |
| Criterion 4.4.6: Training and competency | | | |
| 4.4.6.1 | <p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p> | <p>Palmgroup Holdings has established Guidelines on training Procedure. Refer document no. PGHSP/SOPP/004/2018 9 (2019-02) rev. no. 2 dated May 2019.</p> <p>The estate has established training program base on training need analysis conducted and documented in Executive, Staff and Workers Annual Training Program Schedule FY 2020. Sighted the sampled training records follows:</p> <p>Company Policy and MSPO awareness training dated 23/9/2020</p> | Complied |

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| | | <p>Rare, threaten and endangered Species awareness training dated 23/9/2020</p> <p>3r awareness training dated 23/9/2020</p> <p>Riparian zone protection policy training dated 23/9/2020</p> <p>SOP for chemicals spraying (pest and disease training dated 23/9/2020</p> <p>BMP Policies and Integrated Pest Management System in oil Palm Agro Ecological System training dated 31/11/2019</p> <p>SOP for motorcycle rider training dated 15/11/2019</p> <p>Basic occupational First Aid dated 23/12/2019</p> <p>Water management for oil palm planning in peat and mineral soil training dated 20/8/2019</p> | |
| 4.4.6.2 | <p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p> | <p>The estate has conducted training need analysis base on type of job designation and training requirement. The training requirement divided into Best Management Practice, Environment, Social and Legal and Safety and Health. 50 training was identified and programmed throughout the year.</p> | Complied |
| 4.4.6.3 | <p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p> | <p>The estate continuously provided the training to the workers as per plan. The training plan was reviewed on annually basis base on the training need analysis conducted.</p> | Complied |
| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | |

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| Criterion 4.5.1: Environmental Management Plan | | | |
| 4.5.1.1 | An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance - | The company has established Environmental Policy signed by the Managing Director dated on 21/11/2016. In the policy stated the company commitment to conduct all operation and activities in an environmentally responsible manner and to continually improve environmental performance within plantation. The policy was communicated to all the employee through briefing, training and displayed on signboard at designated place at the estate. | Complied |
| 4.5.1.2 | The environmental management plan shall cover the following: An environmental policy and objectives; The aspects and impacts analysis of all operations. - Major compliance - | The estate has conducted the environmental aspects and impacts analysis of all main and support operations and documented in Identification and Significance Determination of Environmental aspects and Setting Objectives and Targets. The assessment was conducted on annually basis. Base on the significant impacts identified in the register, the estate has established Environmental Continual Improvement Plan. | Complied |
| 4.5.1.3 | An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance - | Base on the significant impacts identified in the register, the estate has established Environmental Continual Improvement Plan. Sighted the implementation of the management plan as follows: Water level monitoring was conducted on daily basis. Sighted the monitoring records in Water Level Daily Records January to July 2020. Waste water from chemical pre-mixing activity was collected in collection sump and reuse into the pre-mixing. | Complied |

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| | | Environmental monitoring as per report ref. no. NREB/6-1/2G/14 was conducted twice a year. Latest monitoring was done on 04/09/2020. Report has yet to be received by the estate. | |
| 4.5.1.4 | A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance - | Program to promote positive impacts was documented in the environmental continual improvement plan such as: Prohibition of burning on peat Use more Integrated pest management No spraying along river banks. | Complied |
| 4.5.1.5 | An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance - | The estate has established training program for all the employee and documented in annual training program. The training plan , Policies, Environmental Aspects and Impacts, Environmental control procedure and etc. | Complied |
| 4.5.1.6 | Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance - | The estate has established the Environmental and BMP Committee. The committee held meeting on quarterly basis. | Complied |
| Criterion 4.5.2: Efficiency of energy use and use of renewable energy | | | |
| 4.5.2.1 | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. | The estate has established management plan to assess the usage of non-renewable energy and documented in GHG Monitoring Plan to Reduce GHG Emissions. Among the action plan established as follows: Monthly diesel and fuel consumption records Provide tray to reduce oil spillage and leakage | Complied |

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| | - Major compliance - | <p>Service machinery/vehicles on time</p> <p>The estate monitor the fuel consumption on monthly basis. reviewed the data FY 2019 and todate FY 2020 as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">2019</th> <th colspan="2">2020</th> </tr> <tr> <th>Consumption</th> <th>Baseline</th> <th>Consumption</th> <th>Baseline</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>5.83</td> <td>9.68</td> <td>5.53</td> <td>11.07</td> </tr> <tr> <td>Feb</td> <td>5.48</td> <td>11.51</td> <td>5.44</td> <td>12.99</td> </tr> <tr> <td>Mar</td> <td>5.95</td> <td>10.76</td> <td>5.51</td> <td>12.45</td> </tr> <tr> <td>Apr</td> <td>6.05</td> <td>9.20</td> <td>4.87</td> <td>10.52</td> </tr> <tr> <td>May</td> <td>8.94</td> <td>8.20</td> <td>3.50</td> <td>9.36</td> </tr> <tr> <td>Jun</td> <td>5.55</td> <td>7.21</td> <td>NA</td> <td>8.24</td> </tr> <tr> <td>Jul</td> <td>5.04</td> <td>6.12</td> <td>NA</td> <td>6.99</td> </tr> <tr> <td>Aug</td> <td>4.92</td> <td>5.65</td> <td>NA</td> <td>6.45</td> </tr> <tr> <td>Sep</td> <td>3.31</td> <td>5.40</td> <td>NA</td> <td>6.17</td> </tr> <tr> <td>Oct</td> <td>3.92</td> <td>5.54</td> <td>NA</td> <td>6.33</td> </tr> <tr> <td>Nov</td> <td>4.02</td> <td>6.56</td> <td>NA</td> <td>7.50</td> </tr> <tr> <td>Dec</td> <td>4.48</td> <td>7.86</td> <td>NA</td> <td>8.98</td> </tr> </tbody> </table> | Month | 2019 | | 2020 | | Consumption | Baseline | Consumption | Baseline | Jan | 5.83 | 9.68 | 5.53 | 11.07 | Feb | 5.48 | 11.51 | 5.44 | 12.99 | Mar | 5.95 | 10.76 | 5.51 | 12.45 | Apr | 6.05 | 9.20 | 4.87 | 10.52 | May | 8.94 | 8.20 | 3.50 | 9.36 | Jun | 5.55 | 7.21 | NA | 8.24 | Jul | 5.04 | 6.12 | NA | 6.99 | Aug | 4.92 | 5.65 | NA | 6.45 | Sep | 3.31 | 5.40 | NA | 6.17 | Oct | 3.92 | 5.54 | NA | 6.33 | Nov | 4.02 | 6.56 | NA | 7.50 | Dec | 4.48 | 7.86 | NA | 8.98 | |
| Month | 2019 | | | 2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Consumption | Baseline | Consumption | Baseline | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 5.83 | 9.68 | 5.53 | 11.07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb | 5.48 | 11.51 | 5.44 | 12.99 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar | 5.95 | 10.76 | 5.51 | 12.45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr | 6.05 | 9.20 | 4.87 | 10.52 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 8.94 | 8.20 | 3.50 | 9.36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun | 5.55 | 7.21 | NA | 8.24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul | 5.04 | 6.12 | NA | 6.99 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug | 4.92 | 5.65 | NA | 6.45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep | 3.31 | 5.40 | NA | 6.17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct | 3.92 | 5.54 | NA | 6.33 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov | 4.02 | 6.56 | NA | 7.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec | 4.48 | 7.86 | NA | 8.98 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.2.2 | <p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p> | <p>The estimate of diesel usage was documented in the annual budget. The estimated usage was used as baseline to monitor the usage of diesel in the estate operation per MT FFB production.</p> | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5.2.3 | <p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p> | No renewable energy used in the estate | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.5.3: Waste management and disposal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| <p>4.5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p> | <p>The estate has identified the waste products and its source and documented in the Waste Inventory (Waste Management and Disposal). Waste identified as follows:</p> <p>i. Domestic Waste</p> <p>ii. Scheduled Waste – SW 102, SW 305, SW 306, SW 307, SW 409 (Empty pesticide container).</p> <p>Recycle Waste</p> <table border="1"> <thead> <tr> <th>#</th> <th>Facility</th> <th>Nature of Waste</th> <th>Environment Hazard Category</th> <th>Designated Scheduled Waste (ID No)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Apartment & Office</td> <td>Domestic Waste</td> <td>Water pollution</td> <td>Bin 1 - 25</td> </tr> <tr> <td>2</td> <td>Workshop</td> <td>SW-Scrap Metal</td> <td>Soil contamination</td> <td>NIL</td> </tr> <tr> <td>3</td> <td>Workshop</td> <td>SW-Spent lubricant oil</td> <td>Water pollution</td> <td>SW305</td> </tr> <tr> <td>4</td> <td>Workshop</td> <td>SW-Filter</td> <td>Water pollution</td> <td>SW410</td> </tr> <tr> <td>5</td> <td>Workshop</td> <td>SW-Used Battery</td> <td>Water pollution</td> <td>SW102</td> </tr> <tr> <td>6</td> <td>Workshop (Oil Trap)</td> <td>SW-Mineral Oil Mixed Water</td> <td>Water pollution</td> <td>SW307</td> </tr> <tr> <td>7</td> <td>Workshop</td> <td>Spill Kit</td> <td>Soil contamination</td> <td>SW408</td> </tr> <tr> <td>8</td> <td>Store / Fertilizers</td> <td>DM-Fertilizers Bags</td> <td>Soil contamination</td> <td>Bin 13</td> </tr> </tbody> </table> | | | | | # | Facility | Nature of Waste | Environment Hazard Category | Designated Scheduled Waste (ID No) | 1 | Apartment & Office | Domestic Waste | Water pollution | Bin 1 - 25 | 2 | Workshop | SW-Scrap Metal | Soil contamination | NIL | 3 | Workshop | SW-Spent lubricant oil | Water pollution | SW305 | 4 | Workshop | SW-Filter | Water pollution | SW410 | 5 | Workshop | SW-Used Battery | Water pollution | SW102 | 6 | Workshop (Oil Trap) | SW-Mineral Oil Mixed Water | Water pollution | SW307 | 7 | Workshop | Spill Kit | Soil contamination | SW408 | 8 | Store / Fertilizers | DM-Fertilizers Bags | Soil contamination | Bin 13 | <p>Complied</p> |
| # | Facility | Nature of Waste | Environment Hazard Category | Designated Scheduled Waste (ID No) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Apartment & Office | Domestic Waste | Water pollution | Bin 1 - 25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Workshop | SW-Scrap Metal | Soil contamination | NIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Workshop | SW-Spent lubricant oil | Water pollution | SW305 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Workshop | SW-Filter | Water pollution | SW410 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Workshop | SW-Used Battery | Water pollution | SW102 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Workshop (Oil Trap) | SW-Mineral Oil Mixed Water | Water pollution | SW307 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Workshop | Spill Kit | Soil contamination | SW408 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Store / Fertilizers | DM-Fertilizers Bags | Soil contamination | Bin 13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | 9 | Store / Chemicals | SW-Chemicals Containers | Water pollution | UPPCR | |
| | | 10 | Store / Chemicals | SW-Spill Kit | Soil contamination | SW408 | |
| | | 11 | Main Genset Room | SW-Spent lubricant oil | Acute toxicity | SW305 | |
| | | 12 | Main Genset Room | SW-Filter | Acute toxicity | SW410 | |
| | | 13 | Labour Line | Recycle Waste | unhealthy to tenants | NIL | |
| 4.5.3.2 | <p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> Identifying and monitoring sources of waste and pollution Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p> | <p>Waste management plan has been established base on waste identified and documented in Environmental Continual Improvements Plan under section Domestic Waste Management and Schedule Waste Management. The management plan was reviewed on annually basis. latest review was conducted on 3/3/2020</p> <p>Sighted the implementation of the management plan as follow:</p> <p>The estate maintain the inventory records for all the scheduled waste and reported to DOE through E-SWISS. Sighted the Scheduled Waste Inventory logbook and E-SWISS Inventory Summary Records as at August 2020.</p> <p>Domestic waste collected twice a week and disposed in Selangau Municipal Landfill. Sighted the collection records for the month of January, February, August and September 2020.</p> | | | | | Complied |

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| <p>4.5.3.3 The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p> | <p>The company has established SOP for Scheduled Waste Handling and documented in Scheduled Waste Handling and Storage Guidance. Refer document no. PGHSB/SOPP/014/2016 dated 21/11/2016.</p> <p>Scheduled waste was stored at designated storage area and disposed by licensed contractors. Sighted the inventory in E-SWISS and sampled disposal records as follows:</p> <p>17/2/2020, SW 102, C/N no. 2020021715EM3HSA 17/2/2020, SW 305, C/N no. 2020021715WV8SB0 17/2/2020, SW 102, C/N no. 2020021715IA3PVX 17/2/2020, SW 102, C/N no. 2020021715EM3HSA 20/2/2020, SW 410, C/N no. 2020022013GA5S0Q 13/7/2020, SW 305, C/N no. 20200713153AX80N 6/8/2020, SW 410, C/N no. 2020080609JFLO51 13/7/2020, SW 102, C/N no. 20200713157K2NPV</p> | <p>Complied</p> |
| <p>4.5.3.4 Empty pesticide containers shall be 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. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p> | <p>Empty pesticide containers was punctured and disposed through licensed contractors as stated in Scheduled Wastes Handling and Storage Guidance, PGHSB/SOPP/014/2016, ver 1, dated 21/11/2016.</p> <p>The empty chemical containers triple rinsed, punctured and stored in designated storage area under locked and key. Reviewed the triple rinsing records for the month of January to August 2020.</p> <p>Reviewed the disposal records such as Empty Container Collection Form and weighbridge ticket dated 04/03/2020 for consignment note no. 0310.</p> | <p>Minor NC</p> |

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| | | During site visit at the line site, it was noted that empty pesticides container was stored under the contractor house, house no. 1, Block D. | |
| 4.5.3.5 | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance - | Domestic waste collected twice a week and disposed in Selangau Municipal Landfill. Sighted the collection records for the month of January, February, August and September 2020 | Complied |
| Criterion 4.5.4: Reduction of pollution and emission | | | |
| 4.5.4.1 | An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance - | The estate has conducted assessment to identify all polluting activities and documented in the GHG Monitoring Plan to Reduce GHG Emission. Source of activities contribute to GHG emission identified as follows: Machinery/Vehicle Monthly diesel and fuel consumption Provide tray to reduce oil spillage and leakage Service all machineries/vehicles on time Generators Monthly diesel and fuel consumption Service all machineries/vehicles on time Fertilizers To monitor and register all fertilizer consumption Chemicals Plant more beneficial plant at every phase | Complied |

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| 4.5.4.2 | <p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p> | <p>The estate has established GHG Monitoring Plan to Reduce GHG Emission based on the assessment conducted. Sighted the implementation of the management plan as follows:</p> <p>The estate monitor the fuel consumption on monthly basis. Reviewed the data FY 2019 and todate FY 2020.</p> <p>The estate maintain records for diesel consumption for each tractors, machineries, vehicles and genset in Machinery Use Record. Refer doc no. ET07.</p> | Complied |
| Criterion 4.5.5: Natural water resources | | | |
| 4.5.5.1 | <p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>Assessment of water usage and sources of supply.</p> <p>Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</p> <p>Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> | <p>The company has established guidelines on Water Use Monitoring. Refer doc. no. PGHSB/SOPP/004/2015, dated 21/12/2015. The guidelines established to monitor water use in a plantation in order to ensure water availability for communities.</p> <p>The estate has established Water Supply Management Plan and Peat Management Control Plan. The plan focusing on ensure water availability for communities and maintain the water level at the peat area.</p> <p>The estate has install water level indicator in the estate. The estate monitor the water level on daily basis to ensure the water level at optimum level of 50 – 70 cm from the surface. Sighted the peat water level at Phase 01B at peg no. 1.</p> <p>The estate clearly demarcated the riparian bufferzone with white colour pole. Sighted the bufferzone area for Sg. Keladan at Phase 1 block A15 and phase 2 block B16. No evidence of chemical application along the bufferzone.</p> | Complied |

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| | <p>Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p> | <p>Signboard on prohibition of chemical application activities, illegal hunting and fishing were erected at the bufferzone area. noted during interview with the workers, the awareness on prohibition of chemical application along the area is satisfactory.</p> | |
| 4.5.5.2 | <p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p> | <p>Sg. Keladan flow through the estate. No construction of bunds, weirs and dams sighted during site visit. Construction of bunds and weirs were done at field drains for water management.</p> | Complied |
| 4.5.5.3 | <p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p> | <p>All houses were provided with 2 units of 400 gallons water tanks to harvest rain water.</p> | Complied |
| Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value | | | |
| 4.5.6.1 | <p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of</p> | <p>The estate has conducted High Conservation Value Assessment by Wild Asia as per final reports 21/12/2018. In the reports, potential HCV 1, HCV 4 and HCV 5 was identified in the estate.</p> <p>In the assessment, potential of HCV 1 is identified. The potential RTE Species identified and IUCN, RTE and Cites 9 status was listed in table 16: Jobenar Raya Tatau HCV 1 Species.</p> | Complied |

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| | <p>rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p> | | |
| 4.5.6.2 | <p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p> | <p>The potential RTE Species identified and IUCN, RTE and Cites 9 status was listed in table 16: Jobenar Raya Tatau HCV 1 Species.</p> <p>The estate has established management plan for RTE species and documented in Environmental Management Plan under Flora and Fauna or RTE section and HCV Goals. Sighted the implementation of the management plan as follows:</p> <p>The estate has erected signboard on prohibition of illegal hunting the estate entrance, HCV area and linesite. Noted during interview with workers and stakeholders, the understanding on prohibition of illegal hunting was satisfactory.</p> <p>RTE monitoring was recorded in the RTE Log Book. In the log book recorded the date, name or reporter, name of RTE and location the RTE sighted.</p> | Complied |
| 4.5.6.3 | <p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p> | <p>The estate has established management plan to comply with Indicator 1 as stated in indicator 4.5.6.3.</p> | Complied |
| Criterion 4.5.7: Zero burning practices | | | |
| 4.5.7.1 | <p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p> | <p>The company has established Zero Burning Policy signed by the Managing Director dated 21/7/2015. The policy was communicated to all the employee through training, briefing and signage at several notice board in the estate.</p> | Complied |

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| 4.5.7.2 | A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance - | No controlled burning application is allowed as per Zero Burning Policy | Complied |
| 4.5.7.3 | Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance - | No controlled burning application is allowed as per Zero Burning Policy | Complied |
| 4.5.7.4 | Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance - | No controlled burning application is allowed as per Zero Burning Policy No replanting activity is planned within 5 years since this estate has planting the oil palm in year 2001 first planting. | Complied |
| 4.6 Principle 6: Best Practices | | | |
| Criterion 4.6.1: Site Management | | | |
| 4.6.1.1 | Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance - | Addressed in "Policy and BMP". Established based on operation such as: i. Oil Palm Harvesting [001, 27/7/13] ii. Oil Palm Frond Pruning [001, 20/9/13] iii. Control of Tirathaba Bunch Moth [PGHSB/BMPP/002/2014, 2/5/14] iv. Water Management in Peat Soil [PGHSB/BMPP/004/2014, 1/7/14] v. Weeding [PGHSB/BMPP/005/2014, 1/7/14] | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
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| | | vi. Termite Management in Peat Soil [PGHSB/BMPP/001/2014, 1/7/14] vii. IPM in Oil Palm Agro-ecological System [PGHSB/BMPP/007/2014, 14/7/14] viii. Fertilizer Management [PGHSB/BMPP/006/2014, 14/7/14] ix. Oil Palm Nursery Management [PGHSB/BMPP/003/2014, 1/7/14] x. Rat Management in Oil Palm Plantation [PGHSB/BMPP/08/2015, 11/8/2015] To check on the consistent implementation of the SOP, internal agronomy team will visit estate minimum twice per year to monitor the P&D programme and overall field condition. | |
| 4.6.1.2 | Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance - | There is no slope area at the estate. | Complied |
| 4.6.1.3 | A visual identification or reference system shall be established for each field. - Major compliance - | Identification of field reference was mainly made of plastic plat with white font on black background. The plat has the information about Block number, road number, year planted, SPH, Ha and planting material. | Complied |
| Criterion 4.6.2: Economic and financial viability plan | | | |

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|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 4.6.2.1 | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance - | Business plan was demonstrated through availability of annual budget with 2 years projection. Among the main items included in the annual budget were harvesting and evacuation, field upkeep and employees welfare. | Complied |
| 4.6.2.2 | Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance - | No replanting activity is planned within 5 years since this estate has planting the oil palm in year 2001 first planting. | Complied |
| 4.6.2.3 | The business or management plan may contain: Attention to quality of planting materials and FFB Crop projection: site yield potential, age profile, FFB yield trends Cost of production : cost per tonne of FFB Price forecast e) Financial indicators : cost benefit, discounted cash flow, return on investment - Major compliance - | The annual budget of the estate contains the information about crop projection, production cost and estimation of material price. The managers will have regular meeting with the top management to discuss about their estate's performance and expenses in order to ensure efficiency of cash flow. | Complied |
| 4.6.2.4 | The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance – | Management has the working sheet for all the field operation for realization. Sampled the sanitation schedule on monthly basis by manager for implementation of profit and loss monitoring. | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Criterion 4.6.3: Transparent and fair price dealing | | | |
| 4.6.3.1 | Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance - | Pricing mechanisms for the products and other services were effectively documented and implemented as per following example: Ref. no. JRSB/NC20010002 between Jobenar Raya Sdn Bhd and contractor, Dingon A/K Janang Pricing mechanism is based on rate per RM/ton at specific work target/field. | Complied |
| 4.6.3.2 | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance - | Refer to FFB transporter contract Ref. no. JRSB/NC20010002 between Jobenar Raya Sdn Bhd and contractor, Dingon A/K Janang. Reviewed sample of payment voucher with ref. no. JR/AP/PV/20/07/006 dated 02/07/2020. | Complied |
| Criterion 4.6.4: Contractor | | | |
| 4.6.4.1 | Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance - | MSPO training for contractor has been conducted which attended by 1 contractor, Dingon A/K Janang during contract signing in January 2020. | Complied |
| 4.6.4.2 | The management shall provide evidence of agreed contracts with the contractor. - Major compliance - | Refer to FFB transporter contract Ref. no. JRSB/NC20010002 between Jobenar Raya Sdn Bhd and contractor, Dingon A/K Janang. The above contract is valid for 12 month until 31/12/2020. Signature of the manager for estate and contractor evident in the agreement in January 2020. | Complied |
| 4.6.4.3 | The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. | The company has no objection to allow BSI auditors to verify the assessment through physical inspection if required. | Complied |

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| | - Minor compliance - | <p>The estate has issued an official Adoption Letter for Malaysian Sustainable Palm Oil. In the letter stated:</p> <p>Contractor shall understand MSPO requirements and compliance where applicable;</p> <p>Contractor shall comply with the applicable laws and regulations;</p> <p>Employees are paid based on legal or industry minimum standards according to agreed employment contract;</p> <p>Children and young persons shall not be employed;</p> <p>To ensure all employees are appropriately trained based on their job application;</p> <p>Continual improvement in the main social, environment impact and opportunities for the company.</p> | |
| 4.6.4.4 | <p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p>- Major compliance -</p> | <p>The contractor works has been recorded and approved in work verification @ certificate for payment before payment made by HQ in Sibul.</p> | Complied |
| 4.7 Principle 7: Development of new planting | | | |
| Criterion 4.7.1: High biodiversity value | | | |
| 4.7.1.1 | <p>Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.</p> <p>- Major compliance -</p> | No development of new planting in the estate. | N/A |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------|
| 4.7.1.2 | No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance - | No development of new planting in the estate. | N/A |
| Criterion 4.7.2: Peat Land | | | |
| 4.7.2.1 | New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance - | No development of new planting in the estate. | N/A |
| Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA) | | | |
| 4.7.3.1 | A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance - | No development of new planting in the estate. | N/A |
| 4.7.3.2 | SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance - | No development of new planting in the estate. | N/A |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------|
| 4.7.3.3 | The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance - | No development of new planting in the estate. | N/A |
| 4.7.3.4 | Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance - | No development of new planting in the estate. | N/A |
| Criterion 4.7.4: Soil and topographic information | | | |
| 4.7.4.1 | Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance - | No development of new planting in the estate. | N/A |
| 4.7.4.2 | Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance - | No development of new planting in the estate. | N/A |
| Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils | | | |
| 4.7.5.1 | Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance - | No development of new planting in the estate. | N/A |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------|
| 4.7.5.2 | Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance - | No development of new planting in the estate. | N/A |
| 4.7.5.3 | Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance - | No development of new planting in the estate. | N/A |
| Criterion 4.7.6: Customary land | | | |
| 4.7.6.1 | No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance - | No development of new planting in the estate. | N/A |
| 4.7.6.2 | Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance - | No development of new planting in the estate. | N/A |
| 4.7.6.3 | Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance - | No development of new planting in the estate. | N/A |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------|
| 4.7.6.4 | The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance - | No development of new planting in the estate. | N/A |
| 4.7.6.5 | Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance - | No development of new planting in the estate. | N/A |
| 4.7.6.6 | A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance - | No development of new planting in the estate. | N/A |
| 4.7.6.7 | The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance - | No development of new planting in the estate. | N/A |
| 4.7.6.8 | Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance - | No development of new planting in the estate. | N/A |

Appendix B: List of Stakeholders Contacted

| | |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Government Officer: Nil</p> | <p>Community/neighbouring village: Rumah Chendang TR. Bedari representative</p> |
| <p>Suppliers/Contractors/Vendors: Tiong King Ing</p> | <p>Worker’s Representative/Gender Committee: Estate manager Supervisors, Staff & Clerks Estate local & foreign workers (harvesters, sprayers, etc.) Local workers representatives Foreign workers representatives Gender committee representative Estate Hospital Assistant</p> |

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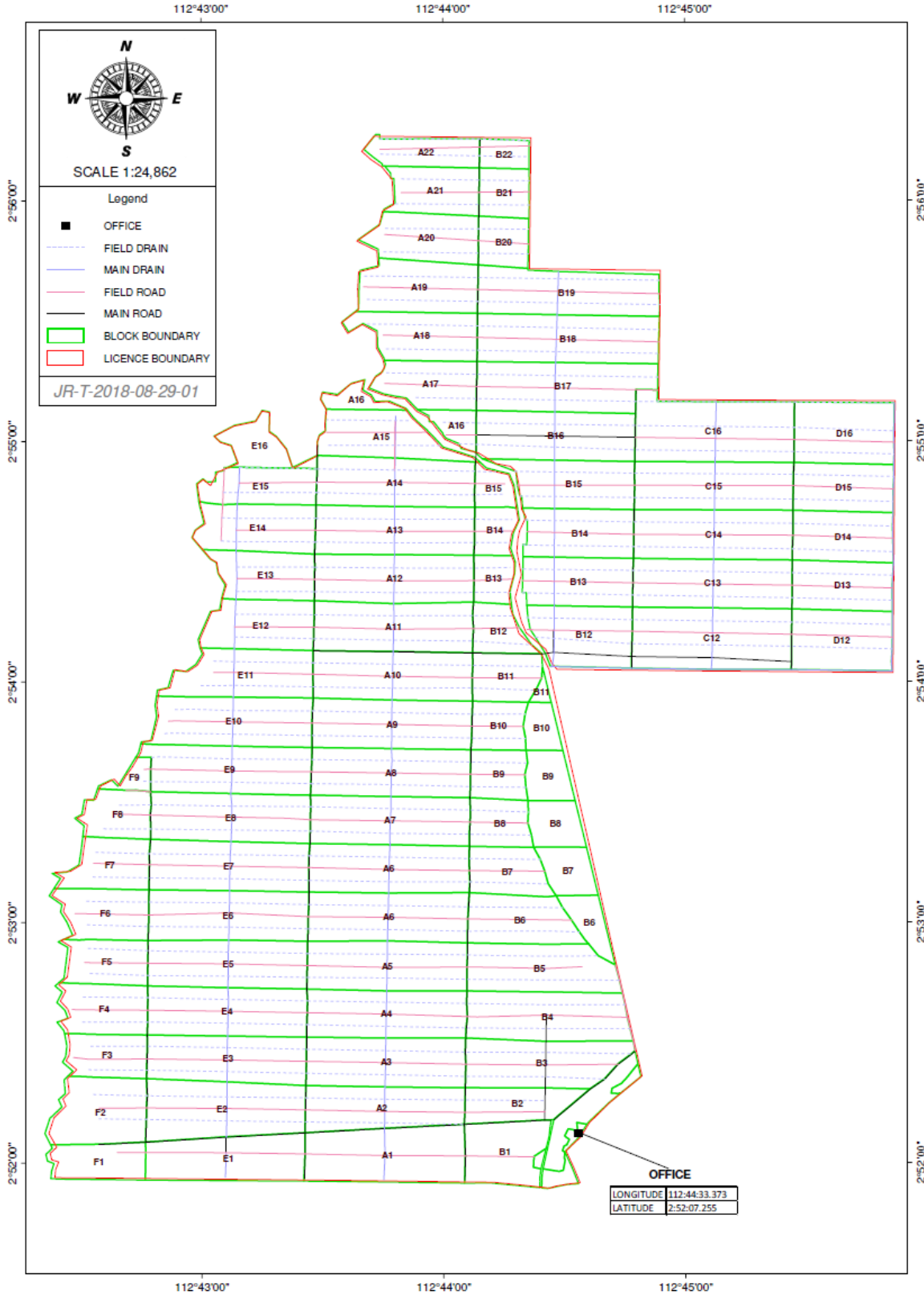
Appendix C: Smallholder Member Details

| No. | Smallholder | | Location of Planted Area (District) | GPS Coordinates | Certified Area (ha) | Planted Area (ha) |
|-----|-------------|---------------------|-------------------------------------|-----------------|---------------------|-------------------|
| | Name | MPOB License Number | | | | |
| | N/A | | | | | |

Appendix D: Location and Field Map



JOBENAR RAYA SDN BHD - TATAU



Appendix E: List of Abbreviations

| | |
|------|------------------------------------------------|
| BOD | Biochemical Oxygen Demand |
| CB | Certification Bodies |
| CHRA | Chemical Health Risk Assessment |
| COD | Chemical Oxygen Demand |
| CPO | Crude Palm Oil |
| EFB | Empty Fruit Bunch |
| EHS | Environmental, Health and Safety |
| EIA | Environmental Impact Assessment |
| EMS | Environmental Management System |
| FFB | Fresh Fruit Bunch |
| FPIC | Free, Prior, Informed and Consent |
| GAP | Good Agricultural Practice |
| GHG | Greenhouse Gas |
| GMP | Good Manufacturing Practice |
| GPS | Global Positioning System |
| HCV | High Conservation Value |
| IPM | Integrated Pest Management |
| ISCC | International Sustainable Carbon Certification |
| LD50 | Lethal Dose for 50 sample |
| MSPO | Malaysian Sustainable Palm Oil |
| MSDS | Material Safety Data Sheet |
| MT | Metric Tonnes |
| OER | Oil Extraction Rate |
| OSH | Occupational Safety and Health |
| PK | Palm Kernel |
| PKO | Palm Kernel Oil |
| POM | Palm Oil Mill |
| POME | Palm Oil Mill Effluent |
| PPE | Personal Protective Equipment |
| RTE | Rare, Threatened or Endangered species |
| SEIA | Social & Environmental Impact Assessment |
| SIA | Social Impact Assessment |
| SOP | Standard Operating Procedure |