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PUBLIC SUMMARY REPORT
ANNUAL SURVEILLANCE ASSESSMENT (ASA2)

Johor Corporation

Johor Malaysia

Report Author

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SUMMARY

BSi Group Singapore Pte Ltd (BSi) has conducted the second annual surveillance assessment (ASA2) of Johor Corporation (JCorp) operations comprising 1 Mill, supply base, support services and infrastructure. EPA Management Sdn Bhd (EPA), which is part of the Kulim Sdn Bhd group, manages the JCorp Mill and Estates. BSi concludes that JCorp operations have maintained compliance with the requirements of RSPO Principles & Criteria : 2007; the MY-NI Indicators and Guidance 2010; and the RSPO Supply Chain Certification Standard : November 2011, Module E – CPO Mills : Mass Balance.

BSi recommends the continuation of the approval of JCorp as a producer of RSPO certified sustainable palm oil.

ABBREVIATIONS USED

AMESU	All Malayan Estates Staff Union
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
HIRAC	Hazard Identification Risk Assessment Control
LTA	Lost Time Accident
MPOB	Malaysian Palm Oil Board
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
R&D	Research and Development
SIA	Social Impact Assessment
SOP	Standard Operating Procedure

1.0 SCOPE OF SURVEILLANCE ASSESSMENT

1.1 Identity of Certification Unit

JCorp has undergone restructuring of the company operations with Siang Mill and Supply Base no longer managed by EPA and these operations have been excluded from the Certification Scope. Siang Estate FFB is still being processed at Siang Mill, however FFB from the remaining Siang Mill supply base is now included in the Kulim Mills supply bases. For example, REM/Pasak FFB was included in the ASA4 Sindora Mill Supply Base and Basir Ismail FFB was included in the ASA4 Sedenak Mill Supply Base. Sungai Papan Estate that is owned by Kulim, was previously included in Siang Mill Supply Base but since December 2012, 100% of the Sungai Papan crop is now processed in the Tunjuk Laut Mill. The JCorp Certification Unit is Johor Corporation operations that consists of the Tunjuk Laut Palm Oil Mill and six (6) company owned and operated Estates. The JCorp Mill and Estates are located in Johor, Malaysia (Figures 1 to 5). The GPS location of the Mill is shown in Table 1.

Table 1: Mill GPS Locations

MILL	EASTING	NORTHING
Tunjuk Laut (30 t/hr capacity)	103° 58'	1° 58'

1.2 Production Volume

The production tonnages for CPO and PK for the 12 months prior to ASA2 (01/01/2012– 31/12/2012) and projections for the next twelve months are listed in Table 2.

Table 2: Production Tonnages

Tunjuk Laut Palm Oil Mill	CPO	PK
At Certification	33,155**	10,063**
Actual ASA1	32,699**	9,342**
Actual ASA2 01/01/2012 – 31/12/2012	34,140* 30,571**	9,928* 8,331**
Projected 01/01/13 – 31/12/13	40,323* 30,078**	10,752* 8,021**

* Includes FFB Traders and outside estates tonnages
** = Certified Production

1.3 Certification Details

JCorp RSPO Membership No: 100800900000
BSi RSPO Certificate No: SPO 555209
Initial Certification Assessment: 08 – 17 December 2009
Date of Certification: 12/02/2011

1.4 Description of Fruit Supply Base

The supply base is five (5) JCorp owned estates and the Kulim owned Sungai Papan Estate and three (3) "Outside" Estates. Production from the three (3) "Outside" Estates is not included in the Certificate. JCorp has ceased receiving crop from the FFB Dealers. The FFB production is listed in Table 3.

Table 3: FFB Production (Tunjuk Laut Mill Supply Base)

Source	At Certification	Actual 01/01/2012– 31/12/2012	Projected 01/01/2013– 31/12/2013
JCorp Estates			
Bukit Payung	29,986	32,956	30,434
Pasir Logok	27,309	25,554	31,471
Tunjuk Laut	38,644	28,067	30,367
Bukit Kelompok	30,471	23,198	24,348
Pasir Panjang	38,786	29,197	26,610
Kulim Estates			
Sungai Papan	–	6,911	42,075
Sub Total	165,196	145,883	185,305
Outside Estates*			
Sey Fu	–	938	938
Hanwan	–	744	744
Kambau	–	6,815	6,770
Sub Total	–	8,497	8,452
FFB Dealers*			
Ree Fong	–	774	–
Sri Mahtai	–	2,053	–
Irawi	–	5,748	–
Sub Total	–	8,575	–
TOTAL	165,196	162,955	193,757

* Production from the Outside Estates and FFB Dealers is excluded from the Certificate

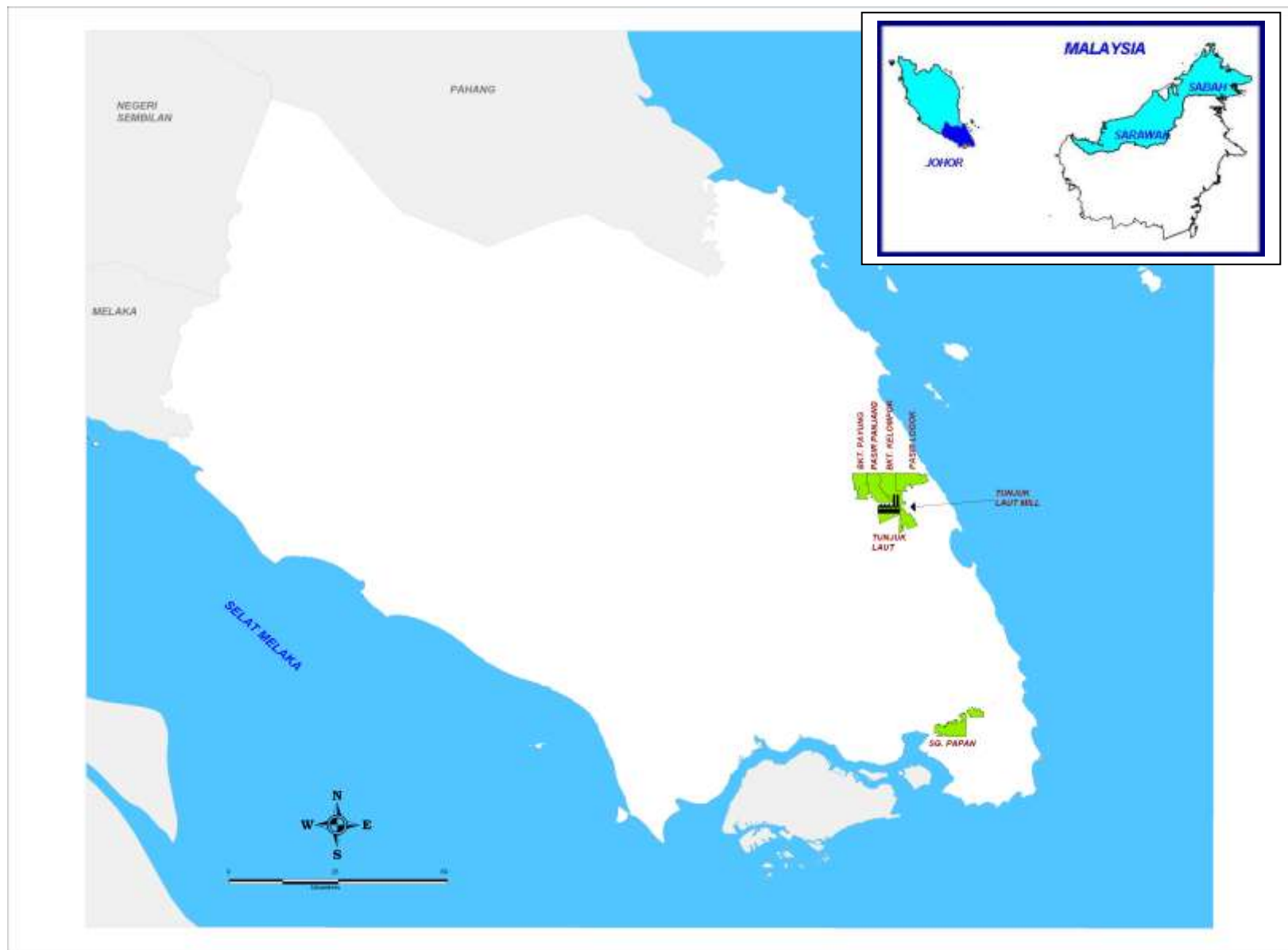


Figure 1: JCorp Mill and Estates Location Map

The JCorp Estates were developed in the 1970s for rubber and for oil palm. Oil palms were first planted in 1973 and are in their first and second cycles. The age profile of the palms is shown in Table 4a. The Estates are going through a major replanting program, as indicated by the young age profile.

Table 4a: Age Profile of Palms

AGE (years)	% of Planted Area
JCorp Estates	
25+	10.68
16 - 25	29.81
5 - 15	32.08
0 - 4	27.43
Outside Estates	
25+	0
16 - 25	35.00
5 - 15	65.00
0 - 4	0

The total plantable area reported during ASA1 has decreased at Pasir Logok Estate due to an “overplanted” area of land (81.8 ha) being handed back to the Lands Office (Kota Tinggi) as advised by the Kulim Property Department. The area planted at Sg Papan Estate (Initial Certification) has decreased by 33.4 ha due to a re-survey carried out by Kulim Research and Development Department. The areas of mature and immature palms are detailed in Table 4b for each of the Estates.

Table 4b: Estates and Areas Planted

Location	Mature	Immature	Total
JCorp/Kulim Estates			
Bukit Payung	1,626	–	1,626
Pasir Logok	1,032	956	1,988
Tunjuk Laut	1,683	979	2,662
Bukit Kelompok	1,104	1,317	2,421
Pasir Panjang	1,398	511	1,909
Sungai Papan*	2,056	788	2,844
TOTAL	8, 899	4,551	13,450
Outside Estates			
Sey Fu	349	0	349
Hanwan	301	0	301
Kambau	2,758	0	2,758
TOTAL	3,408	0	3,408

* **Sungai Papan Estate** is owned by Kulim but 100% of its crop is processed at Tunjuk Laut Mill

Supply Chain

JCorp now processes all of the FFB from Sungai Papan Estate, which has increased the tonnage of certified FFB from company estates. From December 2012, the Mill reduced the quantity of FFB purchased from outside suppliers and since 01 January 2013 the tonnage of outside crop processed is less than 5% of the total mill throughput. On the basis of the recent supply base

changes and the projected certified FFB for the Mill in 2013, JCorp will use the Mass Balance Mechanism for the supply chain. All deliveries of FFB to the Mill are issued with a weighbridge docket that records the name of the supplier, truck registration number, driver’s name and the tonnage. The weighbridge system is computerised and delivery records are used as the basis for payment for FFB deliveries. JCorp has implemented a system that enables traceability of the palm along the supply chain from the field where it was grown and harvested, through to the despatch of sales of CSPO and CSPK. Inspection of documents confirmed that JCorp maintains all of the documentation required for supply chain verification (RSPO Supply Chain Certification Standard : November 2011, Module E – CPO Mills : Mass Balance) – Refer Appendix A.

1.5 Progress against Time Bound Plan

All of the JCorp and Kulim Management Units have been Certified.

1.6 Progress of Associated Smallholders/ Outgrowers towards RSPO Compliance

The outside crop accounted for 10.5% of the total tonnage of FFB processed at the Mill in 2012.

EPA was not able to make any significant progress with the FFB Dealers to meet the RSPO requirements, mainly due to the challenges of liaising with and tracking the performance of the numerous small growers who supply to the FFB Dealers. The Mill ceased receiving crop from FFB Dealers in December 2012. The production from the FFB Dealers and the outside estates is not included in the Certificate.

1.7 Organisational Information / Contact Person

Johor Corporation Contact Person: Mrs Salasah Elias
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 80000 Johor Baru Fax: +60 78631084
 JOHOR MALAYSIA Email: salasah@kulim.com.my

2.0 ASSESSMENT PROCESS

2.1 Assessment Team Members

Charlie Ross – Lead Assessor RSPO

B.App.Sc. M.Sc (Env.Studies)

Topics assessed: Legal, Environment, Agricultural Practices, OHS, Social, Sustainability, Supply Chain

Iman Nawireja – Assessor RSPO

B.Ag.Sc. M.Sc. (Comm)

Topics assessed: Legal, Environment, Agricultural Practices, OHS, Social, Sustainability

Robyn Ross – Social Assessor RSPO

Topics assessed: Legal, Social, Women and Families, Sustainability

2.2 Assessment Programme

The Second Annual Surveillance Assessment (ASA2) was carried out 11 – 12 January 2013. The Assessment Programme is included as Appendix B.

The Programme included assessments of the Mill and two of the six Estates, Pasir Panjang and Sungai Papan against all RPSO Principles and Criteria and selected indicators. The Estates assessed were selected on the basis of prior knowledge of the environmental and social risks gained from conducting Baseline and Initial Certification Assessments at the JCorp Mill and Estates. The Estates were selected for assessment on the basis of alternate years.

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. Checklists and questionnaires were used to guide the collection of information.

This report is structured to provide a summary for each Principle, together with details for selected indicators. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

Mr Aryo Gustomo, BSi RSPO Scheme Manager, has reviewed this report for conformance with BSi Procedures and the RSPO Certification System requirements.

2.3 Stakeholder Consultation

Internal and external stakeholders were consulted to obtain their views on JCorp's environmental and social performance and any issues of concern that they may have. External stakeholders were interviewed at their premises where practical or they were invited to the Mill or the Estate. Internal stakeholders were interviewed in groups in the workplace or at their housing. Company officers were not present at any of the meetings. A list of stakeholders contacted and interviewed is included at Appendix C.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

During this ASA2, no new Nonconformities were identified. Five (5) Observations/Opportunities for Improvement were identified – Refer Section 3.2 Page 14 for details.

Review of the nonconformities assigned during previous assessments (CR01 – CR07) found corrective actions were being effectively and consistently implemented and the nonconformities remain closed. The five (5) Observations/Opportunities for Improvement identified during ASA1 were also followed up to check the

effectiveness of corrective actions. Refer Section 3.3 Page 15 for details.

BSi recommends continuation of Certification for JCorp as a producer of RSPO Certified Sustainable Palm Oil.

PRINCIPLE 1: Commitment to Transparency

JCorp has continued to maintain the system for storage of records of communications with stakeholders and requests for information. JCorp has available all of the documents that are required by RSPO to be publicly available on request.

Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

Review of documents confirmed the Mill and Estates have maintained the filing system of requests for information and responses. The correspondence was from Government Departments and Statutory Authorities. The Mill has not received any request for information since that from MPOB on 17 January 2012 for "Survey on POME & Biogas for Renewable energy Application in Mills", which was replied on 24 January.

Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

The records held at the Estates and Mill showed that copies of the management documents required by RSPO were available and these had been kept up to date. The management documents included policies, environmental and social aspects and improvement plans. JCorp plans to review and re-issue the policies in 2013. A review of the correspondence file showed the company had not received any written request for information on the company's policies, procedures or other aspects of the operations.

PRINCIPLE 2: Compliance with Applicable Laws and Regulations

Legal compliance was assessed by reviewing documents, permit conditions, monitoring records and reports prepared by the Visiting Engineer and the Plantation Inspector. JCorp has kept all of its permits up to date and has carried out all of the required monitoring to confirm compliance with the Labour Act, DOSH Act, Environment Act and other statutory requirements relating to employment of foreign workers.

Criterion 2.1 – There is compliance with all applicable local, national and ratified international laws and regulations.

Samples of documents and records were examined for each Mill and Estate for assessment of legal compliance and examples are given to illustrate findings. The Mill and each of the Estates display the licences at the reception area of offices. Inspection of a sample of licences showed all were current at the time of the assessment. For example, the Mill held MPOB Licence No 500100804000 with expiry date 31 March 2013.

DOSH makes periodic visits to the Mill, with the most recent on 26 November 2012 to conduct a hydrostatic test on Steriliser No 4 and concluded it was satisfactory for operation.

DOE conducts quarterly site visits and the most recent to the Mill on 18 December 2012, but did not identify any issues of concern.

Mareff Management Sdn Bhd carried out testing of emissions at Boiler No2 of the Mill on 16 December 2012 and measurements confirmed compliance with the emission limits of the Environment Quality (Clean Air) Regulation 1978.

ST Tech Engineering Sdn Bhd carried out calibration of smoke density meters at the Mill on 01 August 2012, Service Report No: NML/0894/E/12.

The Mill treats effluent in anaerobic ponds and disposes of the treated effluent by land application. The treated mill effluent is tested monthly at an independent laboratory. Review of the previous twelve months results for the Mill (Figure 4) showed the maximum measured at the effluent pond was 220 mg/L, which was well within the DOE License limit of 5,000 mg/L.

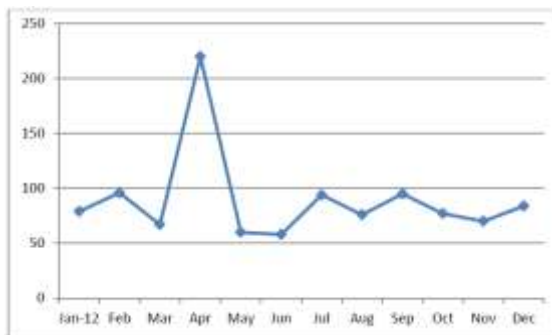


Figure 4: BOD (mg/L) of Treated Mill Effluent January–December 2012

Wacco Industrial Services Sdn Bhd carries out testing of the treated water supply to housing and the results, for example Report of 20 November 2012 confirmed all test parameters were within the limits as specified under the “25th Schedule of Malaysian Food Act 1983 (Act 281) & Regulations”. Sg Papan Estate potable water is from the government supply and tests confirm suitability for domestic use.

Inspection of a sample of pay records at the Mill confirmed compliance with the Department of Labour approved extension overtime limit of 130 hours per month. The records also showed that staff and workers

were paid in accordance with the respective award rates.

Housing meets the government standard of three bedrooms. Electricity and water are supplied continuously to all housing.

Inspection confirmed the Mill summary of licences, together with expiry dates and the requirements for each licence had been maintained up to date. The Mill Second Clerk is responsible for maintaining documentation relating to licences and certificates, for example, the Mill Boilerman Grade 2 issued 27 July 2005. The Mill Manager has responsibility for maintaining legal compliance. The Visiting Engineer makes site visits to the Mill yearly, for example, the most recent visit was on the 19 January 2012. The Visiting Engineer checks all Statutory Licences during Mill visits and confirmed all were current.

The Estates also hold a copy of licences and inspection of a sample confirmed these were current, for example, Sg Papan Estate MPOB Licence Number 501476202000 current to 31 March 2013.

Criterion 2.2 – The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights.

All JCorp operations are on State Leases of varying length of tenure and there has been no change to the leases since the Initial Certification. The terms of the leases are for agriculture and the operations are consistent with the lease conditions.

JCorp has completed the program to locate all boundary stones by survey and to replace any missing stones. For example, a Surveyor Jurukor Abadi Sdn Bhd completed the final survey of Sg Papan Estate on 28 January 2010. The survey identified 3 hectares of overplanting and JCorp abandoned that area in 2010.

Inspection of a sample of boundary stones found these were maintained and clearly identified. For example, inspection at Pasir Panjang Estate block 89/3 confirmed that boundary stone no. LSP 39 is available and visibly maintained.

All JCorp operations are on State Leases – there are no land claims against the company.

Criterion 2.3 – Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users without their free, prior and informed consent.

All JCorp operations are on State Leases for Agriculture.

PRINCIPLE 3: Commitment to Long Term Economic and Financial Viability

JCorp has continued to invest in improvements at the mill and the estates in order to make the operations more sustainable. An example is the redevelopment of the treated effluent land disposal system adjacent to the Mill following the replanting of the area.

The Estates have continued with the major replanting program. This reinvestment will result in improved FFB Yields and OER, which is evidence of the company's commitment to economic and financial viability.

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

The Mill and Estates have an annual budget for the calendar year 2013 with cost projections through to 2017. The budget includes targets for production, quality and cost control. EPA Management has developed a Management Plan for the Mill and Estates that includes programs to improve efficiencies of oil extraction rates at the Mill and to optimise Estate yields. Capital works projects at the Mill include new steriliser cages and installation of a new digester for oil recovery.

The Estates have prepared Annual Replanting Programs that are at various stages of implementation. For example, Sg Papan Estate replanting commenced in 2003 and continues, with approximately 200 ha/year being replanted through to 2015.

Average FFB yields at the Estates have declined because of the inclusion of young palms in the overall production (Figure 5). For example, Sg Papan yields decreased from 24.5 t/ha in 2011 to 20.1 t/ha in 2012 due to the replanting.



Figure 5: Average Annual FFB Yield 2007 – 2012

The Mill has continued to work closely with the Estates to improve FFB quality for achieving higher OER. Improvements within the Mill are ensuring 100% recovery of condensate oil and installation of a bunch press. The OER for the Mill (Figure 6) increased from 20.1% in 2011 to 20.95% in 2012.

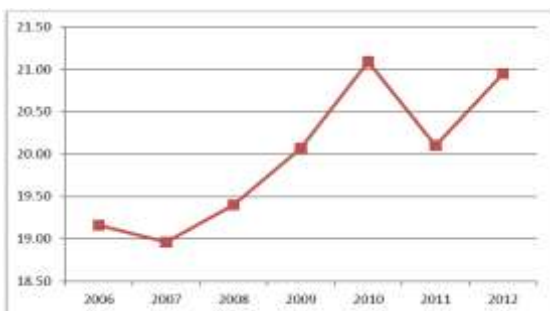


Figure 6: Average Annual Mill OER (%) 2006 – 2012

PRINCIPLE 4: Use of Appropriate Best Practices by Growers and Millers

JCorp has adopted from Kulim the systems for monitoring the implementation of best practices through the program of site visits by the Mill Engineer and the Plantation Inspector. This program and the associated improvements have resulted in increased OER at the Mill and improved FFB quality. The company has consistently ensured that buffer zones are reinstated during replanting and protected and enhanced those already in place. Workforce health and safety continues to be a priority and good progress has been made in reducing the number of lost time accidents.

Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.

The Mill has implemented an ISO 9001 Quality Management System and the SOPs are controlled documents. Inspection of the Mill confirmed that Work Instructions are available for each work-station, such as the Boiler.

The Mill Operators record operating parameters hourly onto shift log sheets, which are then reviewed by the Shift Supervisor, Assistant Mill Manager and Mill Manager. Any corrective actions are implemented on a shift basis for situations identified outside the operating parameters. The company has maintained the Quality Management System and Sirim carried out an annual surveillance audit of the Mill on 20-21 November 2012 and confirmed compliance with the requirements of the ISO 9001 : 2008 Standard.

Copies are held on file of the visiting Engineer's Report, which confirmed compliance with Statutory Requirements, assessed Mill performance and SOP implementation and made recommendations for improvements. The Mill Manager's response to the Visiting Engineer's findings is held on file.

Estate SOPs are based on the Kulim (Malaysia) Berhad Agricultural Manual issued 31 December 2007 and includes all tasks from replanting through to upkeep and harvesting. In addition, specific SOPs have been prepared 18 May 2009 in Bahasa Malaysia, that include information on occupational health and safety issues associated with each task.

The Plantation Inspector visits the Estates approximately quarterly, with the most recent visit to Sg Papan Estate made on 18th and 26th December 2012. The Inspector's Visit Report includes recommendations for improvements and the Manager's reply (07 January 2013) with corrective actions.

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

Kulim R & D Department Agronomist visits each Estate annually and makes recommendations for fertiliser application on the basis of leaf tissue sample analysis.

For example, the Agronomist visited Sg Papan Estate on 17th and 18th October 2012.

The Estates have EFB application programs in place, for example, at Tunjuk Laut Estate EFB has been applied to replanted palms. 100% of treated POME is applied in furrows to Tunjuk Laut Estate in four rounds per year. R&D Department monitors the area by carrying out foliar sampling and reviewing the FFB production.

Inspection of the Estates where replanting is being carried out confirmed that the felled palms are chipped to provide mulch for the young palms. No evidence of fire was found at any of the areas where replanting is being carried out.

Criterion 4.3: Practices minimise and control erosion and degradation of soils.

Inspections of the replanted areas at Sg Papan and Pasir Panjang Estates confirmed soil conservation practices were implemented. For example, at Sg Papan Estate there is only a small area of terraces that were constructed with a back-slope and stop bunds for water conservation. *Mucuna bracteata* is planted to establish groundcover. In mature palms, only palm circles are sprayed, which allows groundcover to be maintained. Pruned palm fronds are stacked along the contour on sloping areas as well as by cross-stacking between the palms.

Inspections of the roads at each of the Estates visited found these were well maintained and all visited areas were accessible by two-wheel drive vehicle.

Criterion 4.4: Practices maintain the quality and availability of surface and groundwater

Inspections of replanted areas at the estates visited, such as Sg Papan confirmed the buffer zone has been demarcated along streams by installing blue and white poles and the palms had been planted in accordance with the company policy.

The Mill and Estates have sampled water quality at the inflow to and outflow from the Estates. For example, the water samples collected on 05 December 2012 at Sg Papan Estate did not show any difference in nitrate and phosphate between upstream and downstream locations.

The Mill started metering water use in 2010 and the water usage decreased slightly from 1.48 t/t FFB in 2011 to 1.42 t/t FFB in 2012 (Figure 7). Greater emphasis will be placed on reducing the use of water for mill floor cleaning in 2013.

Observation 01 – Occurrence of a leaking water pump gland seal at the Mill Water Treatment Plant indicates inadequate implementation of the Water Management Plan – refer Section 3.2 Page 14.

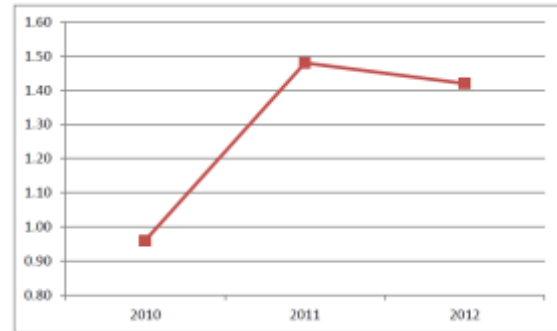


Figure 7: Annual Mill Water Usage (t/t FFB) 2010 – 2012

The Estates and Mill have installed Pollution Control Devices (sediment traps and oil/water separators) at all areas where petroleum hydrocarbons and chemicals are stored and dispensed. Inspection of the pollution control devices and records confirmed these had been cleaned and maintained in accordance with the program. Inspection of the effluent treatment ponds at the Mill found that the pond embankments generally were well maintained and there was adequate freeboard to prevent overflow.

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques.

The Estates have been implementing the company IPM strategy which focuses on the establishment of beneficial plants to assist with control of leaf eating insects. The major palm pest is rats in mature palms. The Estates have installed barn owl boxes and the recent census at Sg Papan showed 34% occupancy. Inspection confirmed good progress with the establishment of beneficial plants, such as *Turnera subulata* along roadsides at Sg Papan Estate.

Rat baits are used for control on the basis of a threshold level of fresh damage to bunches, as well as information from the Mill FFB quality checks. Information on the locations where baits are applied is recorded for each block in the Daily Cost Book. Information is recorded on the replanted areas of young palms, where chemical treatment has been required for control of rhinoceros beetle. For example, at Sg Papan Estate treatment was carried out at a replanted area near the estate boundary that adjoins forested land.

Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives and this is documented.

The selection of chemical for weed control and the treatment is based on inspection of field conditions before spraying. Inspection at all Estates visited confirmed a Work Instruction showing the quantity of

chemical to be measured per 20L container of premix was displayed at the chemical mixing area.

Inspection of the Pesticides Stores showed all chemicals used at the Estates are registered under the Pesticides Act. Pasir Panjang Estate holds an authority from the Pesticides Board (JH/MONO(GL)/12/106 dated 03 April 2012) for the application of Monochrotophos to Blocks 90/7 (46.01 ha), 90-8 (51.78 ha) and 90-9 (45.74 ha) or a total 143.62 ha.

Inspection showed the Pesticide Stores meet requirements for security, spill containment, lighting, separation and labelling of chemicals and ventilation. A secure area was available for storage of unused containers of pre-mixed chemicals as well as empty pesticide containers.

The labels on pesticide containers are in Bahasa Malaysia. In addition, information on the pesticides is available in the Work Instruction in Bahasa Malaysia as well as safety pictorials and MSDS.

CHRA medical surveillance is scheduled to be carried out by QMS Pro Pasir Gudang 4-7 February 2013 for 30 Operators. Inspection of the previous medical surveillance report carried out December 2011 by Klinik Adham, Cawangan Kota Tinggi for 54 pesticide operators confirmed all operators were fit to work with pesticides.

Company practice is to restrict the use of Paraquat to control of weeds in immature palms and for volunteer oil palms in mature palms. Inspection of Pesticide Stores at the Estates confirmed that Paraquat was stored in a locked area separate from other pesticides.

Information on the areas where pesticides are used is recorded in the Estates daily Cost Book on a block basis together with active ingredient and records are available since 2005.

Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.

JCorp has a documented OSH Plan that consists of the elements described below for this criterion. Records held at the Mill and Estates show that appropriate Certificates are held and there are no outstanding issues arising from the most recent Department of Occupational Safety Health inspections. These confirm the operations meet compliance with the OSH Act 1994 and the Factory and Machinery Act 1967.

Awareness and implementation of the OSH Policy are communicated to workers at muster and weekly briefings and through the Annual Training Programme that covers all aspects of OSH. Implementation is monitored through self assessment via the OSH Committee Meetings and independently by the Group Safety Officer. Inspection of workplaces at the Mill and Estate and observations of tasks showed that safe work practices were being implemented.

The Mill and the Estates have reviewed the HIRAC for each work area and all work stations and tasks. For example, the Mill reviewed the HIRAC on 23 June 2012, but did not make any significant changes.

JCorp has updated the Annual Training Programme for safety. All new hires and contractors undergo a safety induction programme that is supplemented with workplace specific training. At the Mill, training in safety topics that apply across the work place, for example PPE, is carried out at the shift briefings. Safety training for each work station is a component of SOP training. At the Estates, the safety awareness training programme is based on briefings at morning muster as well as follow-up by the Assistant Managers in the field.

Each Estate maintains records of sprayer training, for example, Sg Papan Estate carried out refresher training on 21 December 2012 for 14 sprayers. Interviews of sprayers and observation of tasks at each of the Estates confirmed safe work practices were understood and product label precautions were implemented consistently.

All Mill and Estate workers receive new issues of PPE in January each year and records are held for individual re-issues. Pesticide application operators are issued with waterproof apron, rubber boots, nitrile gloves, N95 respirator, and eye protection. Harvesters are supplied with a safety helmet and sickle cover. JCorp requires contractors to provide appropriate PPE to their employees and to observe safety requirements. The Mill security staff carries out checks of contractors to ensure they have the correct PPE before entering the mill.

Each Mill and Estate has assigned a person responsible for safety implementation. At the Mill, the Assistant Engineer is responsible and at the Estates an Assistant Manager coordinates safety implementation.

OSH Meetings were held quarterly at the Mill and Estates, in accordance with DOSH requirements. For example the last meeting for the Mill was held on 28 December 2012 attended by 16 participants; Sg Papan Estate 30 October 2012 for 25 persons. The topics discussed at safety meetings include a report from each functional area, accidents and incidents.

JCorp has reviewed and revised the site-specific Emergency Response Plans for each Estate and the Mill, for example Sg Papan Estate Plan was revised in April 2012 when a new manager was appointed. The Plans cover the main emergencies likely to occur and include site plans and emergency call-out phone numbers. Records are held of Emergency Response training carried out by Kulim Safety Training Services Manager, (Sg Papan Estate 08 December 2012 for 56 persons).

First-aid Training has been carried out by the Hospital Assistant at all locations visited, for example: the Mill on 12 July 2012 for 6 participants; Sg Papan Estate on 14 July for 11 participants; and Pasir Panjang Estate on 25 January 2013 for 21 participants.

Site inspections confirmed safety equipment and first-aid kits were available at workstations at the Mill and were supplied to Mandors for use in the field. The Clinic Hospital Assistants are responsible for checking and restocking of first aid kits. Inspections during the audit confirmed that first-aid kits were stocked in accordance with the list of contents.

JCorp has implemented a system for recording and reporting of all work related accidents and injuries. LTAs are reported monthly to senior management and to DOSH immediately following an accident and a summary report to DOSH annually. The Group Safety Officer reviews LTAs monthly.

The Mill recorded an LTA on 21 October 2011, which was the first since 2009. Sg Papan Estate recorded 16 LTAs in 2012, which consisted of minor injuries resulting in a total of 30 lost days. The LTA index has remained relatively low since 2009 at the Mill and the Estates (Figures 8a and 8b).

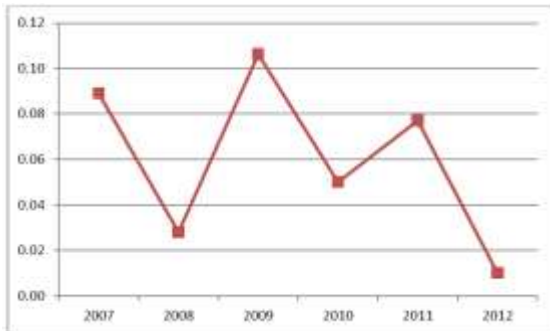


Figure 8a: LTA Index for Tunjuk Laut Mill



Figure 8b: LTA Index for Estates

Mill and Estate Staff are covered by Social Security Organisation (SOCSO) insurance. Mill and Estates Foreign workers are covered by a “global” Policy under Tokio Marine Insurans (Malaysia) Berhad with expiry 31 December 2013.

Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.

The Mill and Estates have an annual training program for calendar year 2013 that sets out the schedule of training for each Mill work station and Estate task, as well as for specific topics. The Mill carries out Work Station training to develop skills during the first half of the year when there is low crop throughput. The Mill and Estates hold records of training carried out by external trainers and they include information on the training topic and competency assessment of the trainee.

PRINCIPLE 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity

The Mill and Estates reviewed the Environmental Aspects and Impacts that had been prepared in 2009. The Mill Improvement Plan focus is on reducing water use. The Estates Improvement Plans included expansion of biological controls, such as barn owls and beneficial plants in the IPM Programme.

The Estates are progressively reinstating buffer strips along streams during replanting. The separation of wastes at source has improved and recyclables are stored for sale to a recycler. Non-recyclables are disposed in small landfills in accordance with Local Government sanitary landfill regulations.

Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

Environmental aspects and impacts were identified in February 2009 using a risk assessment process for the mill and each of the Estates. The Registers have been reviewed and updated, for example the Mill updated its Register on 13 September 2012.

JCorp has prepared a consolidated Environmental Improvement Plan that focuses on the significant impacts in the Aspects and Impacts Register. The Mill Environment Improvement Plan includes actions to reduce water.

Sg Papan Estate revised the Aspects and Impacts register and Environmental Improvement Plan on 30 May 2012 and additional actions include focus on management and erosion control at replanting areas.

Criterion 5.2: The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.

The JCorp Estates have continued to implement the HCV Management recommendations made by the consultant Lewie Dekker when he carried out a Rapid Biodiversity Assessment in July 2008 for identifying the presence of HCVs within the Estates as well as at adjacent areas.

The Estates have completed implementing the short-term HCV Management Plan, such as road erosion control measures. The long-term HCV Management Plan actions of surveying and demarcating the riparian buffer zones and reinstatement of buffer strips, is being carried out progressively during replanting.

Inspections confirmed the Mill and Estates have installed and maintained signage prohibiting the hunting or taking of fauna and fishing. Awareness on protection of fauna has been conducted at Muster and records show, for example, that awareness was conducted at Sg Papan

Estate on 20 October 2012. Information also is posted on the Muster Notice board.

Elephant have entered Tunjuk Laut Estate from Sedilu Forest Reserve adjoining the west of the Estate. Tunjuk Laut Estate reported the incident to the Wildlife Department. Interviews of workers at the Mill and Estates confirmed that they were aware of the rules prohibiting the taking of fauna and flora.

Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

The Mill and Estates maintain records of scheduled wastes in storage as well as collected by DOE licensed contractors. For example, at Pasir Panjang Estate, OLST Petro-chemical Sdn Bhd collected 4 drums of waste oil on 04 January. Sg Papan Estate arranged for Sri Wawasan Teguh to collect empty pesticide containers and disused spray equipment on 06 August 2012, Lorry No JEQ 8984. **Observation 02** – At Pasir Panjang Estate, the tractor parking bay oil drip trays had been left outside the building and were exposed to rain, which indicates inadequate understanding of the purpose of the trays for preventing soil contamination – refer Section 3.2 Page 14.

Observation 03 – At Pasir Panjang and Sungai Papan Estates, the stock-take of empty pesticide containers could be improved by recording numbers of each type of container and the number of empty glyphosate containers used for pre-mix of spray solution. Two empty glyphosate containers were being used for other purposes but were removed immediately, which indicates the control of empty pesticide containers needs improving – refer Section 3.2 Page 14.

Medical Wastes are stored at clinics in appropriate secure containers prior to transfer to Kulim EPA Ulu Tiram for collection by the scheduled waste contractor Pantai Medivest, with the last transfer recorded 11 December 2012.

Fibre and nut shell are used as fuel for the Mill boilers and a small quantity that is surplus to requirements is sold for biofuel. Inspection confirmed EFB is recycled to the Estates, for example, Tunjuk Laut Estate at a rate of 50 t/ha/year. The Estates maintain records of the areas where EFB has been applied as a replacement for chemical fertiliser. **Observation 04** – Some of the recently developed land application furrows near the Mill had been excavated well below the palm root zone, which fails to meet the purpose of recycling nutrients to the palms – refer Section 3.2 Page 14.

Observation 05 – Trailers transporting EFB to Tunjuk Laut Estate were not covered with a net to secure the load and prevent bunches falling onto the roadside – refer Section 3.2 Page 14.

Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.

The Mill monitors and reports energy usage monthly to JCorp head office. For example, the electricity generated

by the steam turbine (Figure 9) increased slightly, due to operation outside of processing hours.

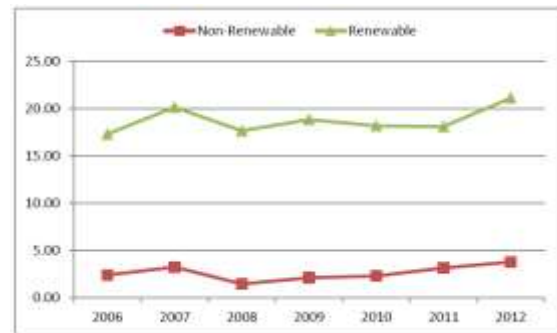


Figure 9: Mill Energy Usage (kWh/t FFB) 2006-2012

Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situation, as identified in the ASEAN guidelines or other regional best practice.

Inspections confirmed there was no evidence of open burning in the Estates where replanting has been carried out. Felled palms are chipped and spread along palm inter-rows as mulch. Inspection of the Mill and Estates housing areas did not find any evidence of fire being used for disposal of wastes.

Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

The Mill and Estates have documented a Pollution and Emissions Control Plan that identifies the sources of emissions and methods for control or reduction. Inspection confirmed that spill containment has been installed at all chemical and hydrocarbon storage and use areas and PCDs installed on all workshop drains for control of point sources of discharges. The Mill has completed implementing controls of point sources of emissions to air.

EPA Management will continue to monitor developments in relation to recovery of biogas from POME.

PRINCIPLE 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers

The EPA Sustainability Team visited the Mill and each of the Estates during the year and met with stakeholders for review of the social issues. Social Improvement Plans were prepared that took into account information from the review of social issues. Interviews of internal and external stakeholders during ASA2 confirmed that they had been consulted during the annual review of social issues. Stakeholders did not raise any issues of concern relating to the company operations and appeared to have a good relationship.

Criterion 6.1: Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans

to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

JCorp has carried out a review of the Social Impact Register on 05 December 2012 following consultation with stakeholders (workers, sprayers, contractors, workers representatives, and local school teachers) on 3 December 2012. A total of 22 respondents were interviewed. There is no community nearby and only internal stakeholders were consulted. Social improvements were identified from the stakeholder consultation.

Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

The Mill and Estates have maintained up to date lists of stakeholders that include all relevant stakeholders.

Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

Checks of information held at the Mill and estates showed there was no grievance raised by the communities and issues registered by workers mainly related to housing repairs, all of which had been actioned.

Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

All of the Estates are on State Leases where customary rights do not apply. JCorp did not acquire any new land over the past year.

Criterion 6.5: Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Interview of staff and workers indicated employment terms and conditions are detailed in their "Appointment Letter" that they received when hired. Inspection of Personnel Files confirmed that terms and conditions of employment are detailed with copies held on file.

Housing meets the requirement of 3 bedrooms and were well maintained at all locations visited. Clinics continue to provide medical treatment for staff, workers and their families at no cost. Water and electricity are provided to houses. Residents are allowed to cultivate small kitchen gardens at their houses, provided they are well maintained. Places of worship are within walking distance of housing. Playing fields and playgrounds are located at each housing area. At those locations where families have small children, a Crèche is available at no cost to employees.

At locations visited the company provides transport for all eligible children to attend school. The company continues to provide school uniforms, shoes, school bags and stationery to each child at the beginning of each school year up to and including Form 3.

Criterion 6.6: The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

Interviews of workers confirmed they are free to join a union if they so wished, which confirmed JCorp has maintained its policy of freedom of association.

Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.

Inspection of a sample of records at the Mill and Estates confirmed that checks of Identity Cards for locals and Passport of Foreign workers are carried out prior to hire in order to meet minimum age requirement. No children or underage workers were observed at any work location visited during the assessment.

Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

The Company Anti-discrimination Policy is documented in the JCorp Handbook, June 2007 and displayed on Notice Boards at the Mill and Estates. When interviewed, staff and workers indicated there was no discrimination in relation to ethnicity, religion or gender. Inspection of records showed the same rates of pay for both local and foreign workers. Interview of foreign workers indicated no cases of discrimination.

Criterion 6.9: A Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

The Company policy on prevention of sexual harassment and violence is documented in the JCorp Handbook, June 2007 and displayed on Notice Boards at the Mill and Estates. Interview of female staff and workers confirmed their involvement in the Gender Committees and no issues of concern were raised.

Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.

Quite a number of contractors had worked with the company for more than 10 years. Contractors and suppliers had a good relationship with the company and they indicated that payments are made in a timely manner and they did not have any issues of concern.

Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

Although some of the Estates are in remote locations, there are no nearby communities. In general where communities are present, these are served by well established infrastructure and services. JCorp provides assistance to local schools and places of worship on request and this is considered appropriate for the socio-economic setting.

Principle 7: Responsible Development of New Plantings

JCorp has not carried out any new oil palm development since November 2005 and there are no plans for expansion of plantings. There were no new land developments or new plantings taking place at the time of the Assessment therefore Principle 7 is not applicable to this Assessment.

PRINCIPLE 8: Commitment to Continuous Improvement in Key Areas of Activity

JCorp has continued to implement its policy to use pesticides for control of palm pests only when necessary and on the basis of pest census information, such as for the control of bagworm at Pasir Panjang Estate. Paraquat is used for weed control in immature palms (<3 years of age) and for control of volunteer oil palms in the mature palms, because of its effectiveness.

JCorp has continued to make environmental and social improvements on the basis of issues identified during the review of the environmental and social impacts registers. JCorp is undertaking a major replanting programme at the Estates supplying FFB to Tunjuk Laut Mill and FFB yields remained static. Tunjuk Laut Mill OER continued to increase over the past 5 years and achieved 20-95% in 2012.

The renewable energy usage rate increased slightly at Tunjuk Laut because of the operation of the steam turbine outside of crop processing hours.

The LTA Rate remained relatively low across the Group of Estates and the Mill.

3.2 Identified Nonconformities and Noteworthy Positive and Negative Observations (ASA2)

The Assessment Team did not assign any Nonconformities during ASA2, however five (5) Observations/ Opportunities for Improvement were identified. The progress of implementation of corrective actions for these will be checked at the next Surveillance Assessment visit (ASA3).

- 01. (4.4.7)** Occurrence of a leaking water pump gland seal at the Mill Water Treatment Plant indicates inadequate implementation of the Water Management Plan.
- 02. (5.3.2)** At Pasir Panjang Estate, the tractor parking bay oil drip trays had been left outside the building and were exposed to rain, which indicates inadequate understanding of the purpose of the trays for preventing soil contamination.

- 03. (5.3.2)** At Pasir Panjang and Sungai Papan Estates, the stocktake of empty pesticide containers could be improved by recording numbers of each type of container and the number of empty glyphosate containers used for pre-mix of spray solution. Two empty glyphosate containers were being used for other purposes but were removed immediately, which indicates the control of empty pesticide containers needs improving.
- 04. (5.3.3)** Some of the recently developed land application furrows near the Mill had been excavated well below the palm root zone, which fails to meet the purpose of recycling nutrients to the palms.
- 05. (5.3.3)** Trailers transporting EFB to Tunjuk Laut Estate were not covered with a net to secure the load and prevent bunches falling onto the roadside.

Noteworthy Positive Components

- Understanding of the RSPO requirements continues to be consistently demonstrated across the Mill and Estates.
- Point source pollutants are well controlled at the Mill and Estates.
- Mill OER has increased over the past five years to 20-95%.
- At replanting areas, riparian buffer zones continue to be re-instated consistently.
- The LTA rate has remained relatively low, indicating safe work practices have been maintained.
- The relationship with Stakeholders remains strong through open communications.
- The investment in the replanting programme is resulting in improved yields as the palms reach maturity.

3.3 Status of Nonconformities (Major and Minor) Previously Identified during previous Assessments

Corrective actions for the Nonconformities (CR01 – CR07) assigned during previous assessments were found to be implemented consistently and the Nonconformities remain closed.

Observations/Opportunities for Improvement (ASA1)

- 01. (4.4.1)** Inspection of replanted areas at the estates visited confirmed consistent implementation of the SOP Guidance for establishment of buffer strips along small streams and palms were planted the correct distance at streams. However, at Bukit Kelompok Estate it was noted that the planting procedure was not followed because the buffer zone was not marked out before palms were planted.

ASA2: The Estate provided photographs to confirm installation of buffer zone markers was completed, of the correct distance along small streams, on 6 February 2012.

02. (4.4.5) Water usage at the Mill had increased almost 50% between 2010 and 2011 and improvements are required to reduce usage.

ASA2 Findings: Water usage improved slightly from 1.48 t/t FFB in 2011 to 1.42 t/t FFB in 2012.

03. (4.7.1) At the Mill, the occurrence of damaged electrical leads at the Maintenance Workshop indicated inadequate pre-start safety checks of equipment.

ASA2 Findings: Inspection of a sample of electrical leads confirmed these were in good condition.

04. (5.2.2) At Sepang Loi Estate *Mucuna bracteata* had encroached part of the buffer zone that is being reinstated at Block P08/3, which will hinder the re-establishment of tree species.

ASA2 Findings: The Estate provided photographic evidence confirming the *Mucuna* had been controlled by slashing.

05. (5.3.2) At Tunjuk Laut Estate, a sediment trap had not been installed to prevent sediment from entering the oily water separator where it mixes with oil and reduces the effectiveness of the separator.

ASA2: The Estate provided photographic evidence to confirm the installation of a sediment trap upstream from the oil/water separator.

3.4 Issues Raised by Stakeholders

There were no issues raised by stakeholders during ASA1 that required follow up.

No issues were raised during the ASA2 interview process. All stakeholders interviewed, both internal and external, had only positive comments.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Surveillance Visit (ASA3)

The next Surveillance Assessment (ASA3) will be scheduled within twelve months of RSPO approval of continuation of Certification.

4.2 Date of Closing Nonconformities (Major and Minor)

Table 5: Status of Nonconformities

CAR	CLASS	ISSUED	STATUS
CR01 4.4.1	Major	17/12/2009	Closed 29/10/2010
CR02 5.2.2	Major	17/12/2009	Closed 28/11/2010
CR03 2.2.3	Minor	17/12/2009	Closed 02/02/2012
CR04 5.3.2	Minor	17/12/2009	Closed 02/02/2012

Table 5 Cont'd: Status of Nonconformities

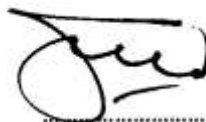
CAR	CLASS	ISSUED	STATUS
CR05* 6.5.3	Minor	17/12/2009	No Action Required
CR06 4.4.6	Minor	02/02/2012	Closed 17/02/2012
CR07 4.4.7	Minor	02/02/2012	Closed 17/02/2012

* CR05 was issued at Siang Estate during the Initial Certification Assessment. Prior to ASA1 Siang Mill and Supply Base no longer managed by EPA, and RSPO Certificate was cancelled.

4.3 Sign-off of ASA2 Findings

JCorp acknowledges and confirms acceptance of the Assessment Report contents, including assessment findings. JCorp accepts the responsibility for implementing the corrective actions and addressing the opportunities for improvement detailed in the Assessment Report.

Signed for on behalf of
Johor Corporation



Hj Izhar Bin Mahmood
Director - Plantation Operations

Date:

Signed for on behalf of
BSi Group Singapore Pte Ltd



Mr Charlie Ross
Lead Auditor

Date:

Appendix “A”

Supply Chain Assessment

APPENDIX A – SUPPLY CHAIN ASSESSMENT REPORT – JCORP – MASS BALANCE

TUNJUK LAUT PALM OIL MILL

Certified Mill Production – 01 January – 31 December 2012

CAPACITY	CPO	PK
30 t/hr	30,571*	8,331

* Inspection of records found that JCorp had exceeded the sale of GreenPalm Certificates by 2,415 tonnes of CSPO. The Marketing Manager advised they would buy these back “on-market”.

Sales of Certified Mill Products (GreenPalm Certificates) – 01 January – 31 December 2012

CPO	PK
32,986*	6,858

**Sales Certified CPO (UTZ Certificates)
01 January – 31 December 2012**

MONTH	BUYER (CPO)	TONNES/ CERTIFICATES
Jan – Dec-12	–	–

**Sales Certified CPO (UTZ Certificates)
01 January – 31 December 2012**

MONTH	BUYER (CPO)	TONNES/ CERTIFICATES
Jan – Dec-12	–	–

**Sales Certified CPO (GreenPalm Certificates)
01 January – 31 December 2012**

MONTH	BUYER (CPO)	TONNES/ CERTIFICATES
Jan-12	–	–
Feb	–	–
Mar	–	–
Apr	–	–
May	–	–
Jun	trade via Green Palm	9,000
Jul	trade via Green Palm	6,000
Aug	trade via Green Palm	3,000
Sep	–	–
Oct	trade via Green Palm	4,000
Nov	trade via Green Palm	4,000
Dec	trade via Green Palm	6,986
TOTAL		32,986

**Sales Certified PK (GreenPalm Certificates)
01 January – 31 December 2012**

MONTH	BUYER (PK)	TONNES/ CERTIFICATES
Jan-12	–	–
Feb	–	–
Mar	–	–
Apr	–	–
May	–	–
Jun	–	–
Jul	trade via Green Palm	2,000
Aug	–	–
Sep	trade via Green Palm	2,000
Oct	trade via Green Palm	145
Nov	–	–
Dec	trade via Green Palm	2,713
TOTAL		6,858

Certified FFB Received Monthly - 01 January – 31 December 2012

Month	Bukit Payung	Pasir Logok	Tunjuk Laut	Bukit Kelompok	Pasir Panjang	Sungai Papan	Total FFB/Month
Jan-12	2,443.60	1,054.23	1,864.71	1,369.13	2,445.47	–	9,177.14
Feb	2,026.86	1,113.74	1,766.68	1,290.20	2,154.32	–	8,351.80
Mar	2,220.43	1,291.81	1,974.52	1,468.69	2,170.53	–	9,125.98
Apr	2,069.52	1,739.20	2,073.16	1,739.20	2,062.14	–	9,683.22
May	2,268.15	1,991.14	2,096.72	1,988.02	2,066.90	–	10,410.93
Jun	2,625.80	2,694.07	2,621.00	2,301.36	2,240.66	84.08	12,566.97
Jul	2,868.71	2,740.41	2,738.20	2,537.97	2,501.67	–	13,386.96
Aug	2,846.21	2,805.82	2,291.52	2,299.30	2,457.57	1,235.73	13,936.15
Sep	3,685.42	2,928.90	2,640.48	2,509.35	2,967.52	1,402.09	16,133.76
Oct	3,469.68	2,777.75	2,959.47	2,215.03	2,856.71	2,270.81	16,549.45
Nov	3,221.53	2,575.68	2,641.58	1,943.35	2,922.89	1,918.03	15,223.06
Dec	3,209.87	1,841.43	2,398.97	1,536.22	2,351.07	–	11,337.56
TOTAL	32,955.78	25,554.18	28,067.01	23,197.82	29,197.45	6,910.74	145,882.98

Certified Company Details

Johor Corporation
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JOHOR MALAYSIA

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RSPO Membership No: 100800900000

Certification Body Details

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Summary

Supply Chain assessments were made for the production from Tunjuk Laut Mill that is managed by EPA Management. The assessment included site visits to the Mill, Pasir Panjang and Sungai Papan Estates, the Marketing Department (EPA Head Office), review of records and interviews of staff. Jcorp sold 32,986 Green Palm Certificates equivalent to 32,986 tonnes of CSPO and 6,586 Green Palm Certificates equivalent to 6,586 tonnes of CSPK during the period 01 January 2012 – 31 December 2012. The assessor concluded JCorp has implemented an appropriate management system for controlling the purchase of certified FFB, processing of same and sales of CSPO and CSPK. JCorp maintains adequate records for confirming compliance with the RSPO supply Chain requirements and staff were able to demonstrate an appropriate knowledge of the requirements.

Conclusion

The JCorp management system and records meet the requirements of the RSPO supply chain requirements, November 2011, Module E – CPO Mills : Mass Balance. Kulim Marketing Department manages all sales of CPO and PK on behalf of the Tunjuk Laut Mill. The system is computerised and Kulim Marketing Department transfers information electronically to the Mill for including the RSPO Supply Chain information for the despatch note and the sales invoice. Inspection of documents confirmed that Kulim maintains all of the applicable documentation required for verification of implementation of the RSPO Supply Chain Certification Standard: November 2011, Module E – CPO Mills : Mass Balance.

Certificate Details

Background to the Report

(a) Report authors

Assessor

Mr Charlie Ross, BSi RSPO Lead Auditor

CB Management Representative

Mr Aryo Gustomo, BSi RSPO Scheme Manager

(b) Previous assessments *Not Applicable*

(c) On-Site Visits

Visit Itinerary

Friday 11 January 2013 – Tunjuk Laut Mill - Opening Meeting held at Mill Meeting Room; visited Mill Office and Weighbridge Station; examined weighbridge records; daily records of FFB deliveries; CPO and PK production; CPO Bulk Tank and PK Silo records; shipments of CPO and PK. People consulted: Latif Bin Yusof Ghani (Mill Manager); Mohd Hafiz Bin Saron (Assistant Engineer); Md Razif Bin Harun (Assistant Engineer); Rukiah Bt Ali (Second Clerk).

Saturday 12 January 2013 – EPA Head Office (Marketing Department): Examined sales recorded in the eTrace system and related supply chain documents.

People consulted: Noor Effendy Mohd Ali (Deputy General Manager); Mohd Radzi Mohamed (Marketing Manager)

Scope

The scope of the assessment covered the Tunjuk Laut Palm Oil Mill and supply base of JCorp owned Estates and the head office Sales Department. The Supply Chain mechanism used is Mass Balance. The JCorp operations were assessed against the requirements of the RSPO Supply Chain Standard : November 2011, Module E – CPO Mills : Mass Balance.

Description of Operation's Management System

JCorp uses the mass balance mechanism for the supply chain because it processed non-certified crop from "outside suppliers" during the period 01 January – 31 December 2012. All deliveries of FFB to the Mill are issued with a weighbridge docket that records the name of the supplier, truck registration number, driver's name and the tonnage. The weighbridge system is computerised and delivery records are used as the basis for payment for FFB deliveries. A sample of weighbridge dockets was checked at the Mill against the summaries of FFB deliveries from each supply source. This confirmed the details of the source and quantity of FFB were recorded accurately and could be verified by tracking. In the case of JCorp Estates, the FFB can be traced back to the Estate and the oil palm block from which it was harvested. The Mill summarises and reports daily to EPA Head Office: the quantity of FFB received from the Estates and from outside suppliers; the tonnage of FFB processed; the tonnages of CPO and PK produced; shipment tonnages; and the quantities of materials held in storage. The Mill and Estates also report the above quantities monthly to EPA Head Office.

Inspection of a sample of records at the Mill confirmed the sales of CPO and PK matched the despatch quantities during the preceding 12 months (01 January – 31 December 2012). Checks of records at EPA Head Office showed there was no sale made for physical RSPO Certified CPO or PK during the preceding 12 months (01 January – 31 December 2012). Inspection of documents confirmed that JCorp maintains all of the documentation required for supply chain verification (RSPO Supply Chain Standard November 2011, Module E – CPO Mills : Mass Balance).

Certified Volume Purchased and Claimed

The following certified FFB material was received from JCorp Estates during the 01 January to 31 December 2012 year and processed at Tunjuk Laut Mill: 145,882.98 t/FFB

Main Report Details

1. Documented procedures

1.1 The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- a) Complete and up to date procedures covering the implementation of all the elements in these requirements. *Complies* *Procedures are controlled documents under the ISO 9001 Quality Management System, are current and include all elements of the Supply Chain for controlling the receipt, sale and dispatch of palm products.*
- b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard. *Complies – The Marketing Manager has overall responsibility for the Supply Chain traceability activities – planning and executing sales of CSPO & CSPK, aspects of FFB receipts, processing and shipping of palm products. Interview of the Marketing Manager confirmed his knowledge of the RSPO Supply Chain requirements and he was able to demonstrate use of eTrace to track sales and shipments of products.*

1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFB. *Complies – the Mill Weighbridge SOP covers the receiving of FFB and recording details of the Supplier and Transporter. All deliveries of FFB are subject to verification of documentation and quality checks. The Tunjuk Laut Mill SOPs are based on those developed by Kulim for the Mills it owns and manages, for example:*

Document No: TLM/SOP/5.2/ REV No:1; Issue No:2 /Procedure 6.1 Reception of FFB/ 11 August 2010

Document No: TLM/SOP/5.2/ REV No:1; Issue No:2 /Procedure 6.2 Despatch of CPO/ 11 August 2010

Document No: TLM/SOP/5.2/ REV No:1; Issue No:2 /Procedure 6.3 Despatch of PK/ 11 August 2010

2. Purchasing and goods in

2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received. *Complies – the Mill records tonnages received at the weighbridge and these are reported daily to Head Office on the Mill Production Report.*

2.2 The facility shall inform the CB immediately if there is a projected overproduction. *Complies – the company has a mechanism for advising the CB of production variations, which are monitored internally, using information from the Monthly Reports.*

3 Record keeping

3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements. *Complies – Inspection of records at the Mill confirmed these were updated daily.*

3.2 Retention times for all records and reports shall be at least five (5) years. *Complies – Records are archived and stored for 3 years, in accordance with ISO 9001 QMS, but 5 years relating to RSPO documents.*

3.3 a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis. *Complies – the Mill prepares a “Monthly Progress Report” for Head Office on the quantities of crop received by source, processed, dispatch of CPO & PK and held in stock.*

b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. *Complies, the volumes held in stock are updated and reported to Head Office daily and monthly.*

c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short. *Complies – The Company policy is to only make sales of stocks of palm product held in storage. The company did not make any physical deliveries of CSPO or CSPK outside of stock holdings.*

3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated. *Complies – JCorp uses the prefix MB on the Product Code.*

3.5 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the Mills and does not need to be separately certified. The mills have to ensure that the crush is covered through a signed and enforceable agreement. *Complies – The company does not out-source activities to Kernel Crushing Mills.*

4. Sales and goods out

4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:

- a) The name and address of the buyer; *Complies – included on invoice.*
- b) The date on which the invoice was issued; *Complies*
- c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance); *Complies (MB)*
- d) The quantity of the products delivered; *Complies*
- e) Reference to related transport documentation. *Complies – dispatches include details of the transport vehicle/vessel and shipper.*

5 Training

5.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems. *Complies – Inspection of a sample of records at the Mill and Marketing Department confirmed JCorp maintains records of training. Interviews of Marketing Manager and Mill Staff confirmed knowledge of the Supply Chain requirements.*

6 Claims

6.1 The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims. *Complies – To the best of the Assessor’s knowledge, the company has not made claims outside of the RSPO rules for Communications and Claims.*

Appendix “B”

ASA2 Programme

JCorp ASA2 Programme – 11 – 12 January 2013**TEAM: CR: CHARLIE ROSS; RR: ROBYN ROSS; IN: IMAN NAWIREJA**

DATE/ LOCATION	TIME	DETAILS	CR	IN	RR	
Friday 11 January	AM	Opening Meeting	√		√	
		Inspect Mill/Effluent Ponds/Stores/Workshop/Landfill /Land Application	√			
		Interview Contractors/External Suppliers	√			
	Team 1 Tunjuk Laut Mill	PM	Interview Female Office Staff/Workers			√
			Review Pay Documentation			√
			Document Review Including Supply Chain	√		
			Visit Clinic Interview Staff			√
			Inspect Housing Interview Residents			√
			Closing Briefing	√		√
			Team 2 Pasir Panjang Estate	AM	Opening Briefing	
	Inspect Estate including any Buffer Zones				√	
	Interview Male Fieldworkers				√	
	Inspect Stores, Workshop, Landfill				√	
	PM	Interview Contractors/External Stakeholders			√	
Contact Government Departments, NGOs, etc				√		
Inspect Housing				√		
Saturday 12 January	AM	Visit any local communities		√		
		Document Review		√		
		Closing Briefing		√		
		Opening Briefing	√	√	√	
		Inspect Estate including any Buffer Zones	√			
		Interview Male Fieldworkers		√		
		Interview Female Fieldworkers			√	
		Inspect Stores, Workshop, Landfill	√			
		Interview Contractors/Suppliers		√		
		Interview Female Office Staff/Workers			√	
	Review Pay Documentation			√		
	EPA	PM	Document Review	√		
			Visit any local communities		√	
			Visit Clinic Interview Staff			√
Inspect Housing Interview Residents					√	
		Closing Briefing	√	√	√	
		Supply Chain Follow-up with Marketing Department	√			
		Follow-up any outstanding data/clarification		√		
		Prepare Visit Report and Closing			√	
		Closing Meeting	√	√	√	

Appendix “C”

List of Stakeholders Contacted

LIST OF STAKEHOLDERS CONTACTED**INTERNAL STAKEHOLDERS**

Mill 4 Female Staff/General Workers 6 Residents at Housing Mill/Estate Clinic Hospital Assistant 8 Male Staff/Workers	Pasir Panjang Estate 14 Harvesters (Foreign Workers) 9 Pesticide Sprayers (Foreign Workers)	Sungai Papan Estate 4 Female Staff/General Workers Clinic Hospital Assistant and Female Assistant 6 Pesticide Sprayers (Foreign Workers) 3 Residents at Housing
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EXTERNAL STAKEHOLDERS

Mill Kewaja Industries Sdn Bhd – Engineering Equipment and Construction Contractor Majoh Engineering (Kota Tinggi) – Fabrication Contractor	Pasir Panjang Estate Siy Fu Enterprise – FFB Supplier General Supplier	Sungai Papan Estate CL Tan – Contractor
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GOVERNMENT DEPARTMENTS Labour Department Johor Bahru Land & Survey Department Johor Bahru Department of Environment Johor Bahru DOSH Johor Bahru Pasir Panjang Public School (Vice Head)	NGOs and Others NUPW Johor AMESU	Local Communities Kampung Tg Serindik Representative
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