

RSPO PRINCIPLE AND CRITERIA

Recertification Assessment (RC) Public Summary Report

Carotino/JC Chang Group
Head Office: Unit 30-01, Level 30, Menara Landmark No. 12, Jalan Ngee Heng 80000 Johor Bahru Johor, Malaysia
Asia Palm Oil Mill (Asia Production Unit) and supply base KM 45, Off Jalan lahad Datu 91100 Sandakan Sabah, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	2-0029-06-000-00	Date	Member since: 5 March 2010
Company Name	Carotino/JC Chang Group		
Address	Head office : Unit 30-01, Level 30, Menara Landmark, No. 12, Jalan Ngee Heng 80000 Johor Bahru, Johor, Malaysia Certification unit : Asia Palm Oil Mill, KM 45 Off Jalan Lahad Datu – Sandakan, 91100 Lahad Datu, Sabah		
Subsidiary of (if applicable)	N/A		
Contact Name	Mr Seow Chee Chiang		
Website	www.carotino.com	E-mail	seowcc@jcc.com.my
Telephone	07 – 2231 633 (Head Office) 089 – 567012 (Mill)	Facsimile	07 224 1546 (Head Office) 089 – 563091 (Mill)

2. Certification Information			
Certificate Number	RSPO 651278	Original Certificate Issued Date	31/01/2013
		Expiry Date	30/01/2023
Scope of Certification	Palm Oil and Palm Kernel Production from Asia Palm Oil Mill and Supply Base (Asia Oil Palm Estate Div.2, Melewar Estate 2 and Hwa Li Estate Div.3)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE101-16450207	ISCC	DQS	20/12/2018
50450207 MSPO4	MSPO	DQS	29/12/2021
50450133 MSPO3	MSPO	DQS	29/12/2021

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Asia Palm Oil Mill	KM 45 Off Jalan Lahad Datu – Sandakan, 91100 Lahad Datu, Sabah	E 118° 12' 24.54"	N 5° 17' 34.01"
Asia Oil Palm Estate Div.2	Sungai Tenegang, CL 095317383, Tenegang / Koyah, Kinabatangan, Sabah, Malaysia	E 118° 11' 56.53"	N 5° 18' 16.63"

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Melewar Estate Div.2	Sungai Tenegang, CL 095311201, Tenegang / Koyah, Kinabatangan, Sabah, Malaysia	E 118° 9' 35.11 "	N 5° 15' 58.24 "
Hwa Li Estate Div.3	Sungai Tenegang, CL95327138 & CL95327138, Tenegang / Koyah, Kinabatangan, Sabah, Malaysia	E 118° 18' 19.33"	N 5° 20' 41.59 "

4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	HCV (ha)	Infras & Other (ha)	Total Hectarage	% of Planted
Asia Oil Palm Estate Div.2	1,990.76	724.46	2,715.22	81.63	227.15	3,024.00	89.79%
Melewar Estate Div.2	1,770.41	-	1,770.41	91.92	161.07	2,023.40	87.50%
Hwa Li Estate Div.3	3,851.56	-	3,851.56	120.61	305.43	4,277.60	90.04%
Total	7,612.73	724.46	8,337.19	294.16	693.65	9,325.00	89.41%

5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Nov 16-Oct 17)	Actual (Nov 16-Oct 17)	Forecast (Nov 17-Oct 18)
Asia Oil Palm Estate Div.2	724.46	-	22.52	1,968.24	-	51,400.00	47,326.49	47,337.01
Melewar Estate Div.2	-	-	731.21	1,039.20	-	38,998.00	35,705.06	22,224.89
Hwa Li Estate Div.3	-	-	3,232.88	618.68	-	86,729.00	76,639.41	86,782.52
Total	724.46	-	3,986.61	3,626.12	-	177,127.00	159,670.96	156,344.42

6. Certified Tonnage of FFB (Own Certified Scope)

Estate	Tonnage / year		
	Estimated (Nov 16-Oct 17)	Actual (Nov 16-Oct 17)	Forecast (Nov 17-Oct 18)
Asia Oil Palm Estate Div.2	51,400.00	47,326.49	47,337.01
Melewar Estate Div.2	38,998.00	35,705.06	22,224.89
Hwa Li Estate Div.3	86,729.00	76,639.41	86,782.52
*Pahang Oil Palm Estate 2	0.00	749.17	0.00
*Pahang Oil Palm Estate 3	0.00	1,092.22	0.00
Total	177,127.00	161,512.35	156,344.42

*Diversion crop from Melewar POM (RSPO Cert. # RSPO 651276)

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7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (Nov 2016 – Oct 2017)	Actual (Nov 2016 – Oct 2017)	Forecast (Nov 2017 – Oct 2018)
KJS Resources Sdn Bhd	7,164.12	2,209.27	6,540.13
Meran Sdn Bhd	3,479.92	1,405.56	4,051.38
Smart Foremost Sdn Bhd	2,198.06	1,400.71	2,960.10
Tapak Jutamaju Sdn Bhd	222.49	185.72	203.05
Sentrabayu Industries Sdn Bhd	7,968.74	6,378.70	10,562.59
Kebaco Sdn Bhd	2,982.67	2,369.12	3,341.24
Jiang Sun Plantation SB	-	5,045.52	-
Benar Waris Sdn Bhd	508.14	1,260.46	1,757.44
Total	24,016.00	20,255.06	29,415.93

8. Certified Tonnage (Own Certified Scope)									
Mill	Estimated (Nov 2016 – Oct 2017)			Actual (Nov 2016 – Oct 2017)			Forecast (Nov 2017 – Oct 2018)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Asia Palm Oil Mill	177,127.00	36,133.91	9,745.15	161,512.35	30,174.16	7,394.62	156,344.42	31,973.31	8,644.58
OER/KER %		20.40	5.50		18.68	4.58		20.45	5.53

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia. BSI is accredited for RSPO Supply Chain Certification Systems (SCCS) and Principles & Criteria for Sustainable Palm Oil Production (P&C, Single Site & Group) certification Worldwide.

Assessment Methodology, Programme, Site Visits

This Recertification Assessment was conducted from 7-9 November 2017. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (Asia Oil Palm Estate Div.2 & Hwa Li Estate Div.3). A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities. Due to Major NC raised, an on-site Major NC Close-out visit was conducted on 8/1/2018 for the verification of CAP.

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. RSPO Principles & Criteria 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2014 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 where the stakeholder notification was made on 2nd October 2017 through BSI website as per following link: [https://www.bsigroup.com/LocalFiles/en-MY/RSPO/Public%20Notification/2017/Public%20Notification%20for%20Recertification%20Assessment_Carotino_Asia%20Prod%20Unit%20and%20Supply%20Base%20\(English\)_v0.pdf](https://www.bsigroup.com/LocalFiles/en-MY/RSPO/Public%20Notification/2017/Public%20Notification%20for%20Recertification%20Assessment_Carotino_Asia%20Prod%20Unit%20and%20Supply%20Base%20(English)_v0.pdf).

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base. The estates sample were determined based on formula $N = 0.8\sqrt{y}$ where y is the number of estates while when applicable.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO 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.

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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 E.

All the previous nonconformities are remains closed. The assessment findings for the Recertification Assessment are detailed in Section 3.3.

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

The report was externally reviewed by RSPO approved Certification 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

1. Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification)	Year 2 (ASA 1_1)	Year 3 (ASA 2_1)	Year 4 (ASA 3_1)	Year 5 (ASA 4_1)
Asia Palm Oil Mill	✓	✓	✓	✓	✓
Asia Oil Palm Estate Div.2	✓	✓	✓	✓	✓
Melewar Estate Div.2		✓	✓	✓	✓
Hwa Li Estate Div.3	✓	✓	✓	✓	✓

[Click here to enter a date.](#)

Tentative Date of Next Visit: 23 October – October 25, 2018

Total No. of Mandays: 9 mandays

BSI Assessment Team:

Hafriazhar Mohd Mokhtar – Lead Auditor

Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea and Solomon Islands. During assessment, he covered the mill supply chain, mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

Aswan Hasibuan – Team Member

Graduated from University of Sumatera Utara on 1999, majoring in Industrial Engineering. Involved in RSPO certification since 2012 as a team member subsequently as a Lead Auditor, covering assessment against RSPO P&C in Indonesia, Malaysia, and Ghana. Completed the ISO 9001, ISO 14001, OHSAS 18001 Lead Auditor Course, Indonesia OHSMS (SMK3) Auditor, ISPO Lead Auditor endorsed Course and RSPO P&C and RSPO SCCS Lead Auditor

endorsed Courses. During this assessment, he assessed on the aspects of environment, OHS, Social, Legal and Smallholder audits. Fluently speaking in English and Bahasa Indonesia.

Daniel Francis - Team Member

Daniel Francis is a fulltime employee with BSI Services Malaysia. He holds a Bachelor of Applied Science Degree in Food Science, graduated from Charles Sturt University, Australia. He has over 8 years of working experience in the oil and gas industry and 3 years in the food & beverage industry. He is an experienced auditor for several management system standards including ISO 9001, ISO 14001, OHSAS 18001 and Integrated Management System. He had completed the ISO 9001:2015 Lead Auditor Course and RSPO SCC Lead Auditor Course. He had been involved in the RSPO audits with various companies in Malaysia. During assessment, he covers the legal issues and occupational safety and health.

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

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

- Carotino/JC Chang Group Time Bound Plan
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO Supply Chain Certification Checklist November 2014

3.2 Progress against Time Bound Plan

Carotino/JC Chang Group Time Bound Plan (TBP) is included as Appendix B. JC Chang Group has achieved RSPO certification for 3 management units in Malaysia and pending for 1 management unit in Sabah. There are no any changes in the existing certified units in Malaysia. All units' certifications are valid.

There was no change of the Time Bound Plan (TBP) for JC Chang group where Takon Certification Unit is going for certification in 2016. Pre-certification audit was done by previous CB, SGS (Malaysia) Sdn Bhd on 7-10 December 2015 as to conduct gap analysis as well as to check compliance against the TBP for JC Chang Group. Details of the TBP compliance can be found below:

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	Yes	Complied
Is the time bound plan challenging? • Age of plantations.	The time bound plan is challenging enough.	Complied

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<ul style="list-style-type: none"> • Location. • POM development • Infrastructure. • Compliance with applicable law. 		
Have there been any changes since the last audit? Are they justified?	As of this year, no changes as per submitted to ACOP.	Complied
If there have been changes, what circumstances have occurred?	The only changes is the year to only handle internal certified crop will be delayed due to pending of approval of HCV disclosure by RSPO.	Complied
Have there been any stakeholder comments?	No	Complied
Have there been any newly acquired subsidiaries?	No	Complied
Have there been any isolated lapses in implementation of the plan?	No	Complied
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. Internal audits are done by Group's internal audit team. Reports consist of root-cause analysis and action plan to mitigate the non-compliances detected by the team for Asia Production Unit.	Complied
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	As of today, there are no areas under the Group that requires compliance to Principle 7 for Asia Production Unit.	Complied
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	No. There was replanting from oil palm to oil palm for Asia Production Unit	Complied
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No land conflicts for Asia Production Unit.	Complied
Any Labor disputes are being resolved through a mutually agreed process,	No disputes as of today for Asia Production Unit.	Complied

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in accordance with RSPO criterion 6.3.		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. Internal audits are done by Group’s internal audit team. Reports consist of root-cause analysis and action plan to mitigate the non-compliances detected by the team for Asia Production Unit.	Complied
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	No non-compliances as of today for Asia Production Unit.	Complied

Due to the present land conflict issue at Takon Certification Unit, the management has decided to exclude the area at point of certification. The engagement process is still on going with the claimants as well as with the Land Officer Department on the conflicted land. Pre-assessment was conducted by SGS (Malaysia) Sdn Bhd on 7-10 December 2015. The final decision of issuing the certificate is under the CB that audited the Takon Certification Unit which will undergo initial certification audit in 2017. BSI understands that there are community issue still under negotiation through agreed process. The improvement is in progress all parties as mutually agreed process. Latest meeting among the community and Takon Certification Unit managemnet was held on 15 October 2015. The current status details are provided in the Appendix B. BSI has considered that Carotino/JC Chang Group is still comply with the RSPO requirement for partial certification.

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
3. The changes in the Time bound Plan for Takon Certification unit was justified and appropriate.

BSI has just involved with assessments of JC Chang Group beginning of 2016. BSI is also communicating with other Certification Bodies that auditing JC Chang’s other operating units to identify any noncompliance with rules of partial certification as per requirement in RSPO Certification System. During this assessment BSI has contacted the certification body that audited Carotino Certification Unit to conduct transfer certification due to the accreditation status of previous CB terminated effective 31 December 2015. Other than the uncertified unit in Sabah particularly Takon Certification Unit, at the time of preparation of this Report, BSI is not aware of any new issues involving:

- a. Any unresolved significant land disputes;
- b. Any replacement of primary forest or loss of HCVs;
- c. Any labour disputes that are not being resolved through an agreed process;
- d. Any evidence of noncompliance with any law at any of the landholdings.

BSI considers that Carotino/JC Chang Group complies with the RSPO requirements for Partial Certification rules.

3.3 Details of findings

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the Recertification Assessment there were 1 (one) major and 1 (one) minor nonconformity raised. The Asia Palm Oil Mill 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.

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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 Nonconformity has been verified for its effectiveness and closed accordingly.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1554102-201709-M1	<p>Requirements Indicator 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented</p>	Major
	<p>Evidence of Nonconformity Asia POM 1. The oil trap at the workshop was not maintained. During the mill visit, found traces of oil already escaped out in to the monsoon drain. 2. There was no oil trap for the drain surrounding the diesel storage tank. This indicator was escalated into major nonconformity since minor nonconformity has been raised in previous year audit on similar issue.</p>	
	<p>Statement of Nonconformity The plan to avoid or reduce pollution not implemented effectively</p>	
	<p>Root Cause 1. Due to no person in-charge and a system to monitor oil trap maintenance thus the maintenance of oil trap was conducted but not properly done. 2. Due to lack of relevant guidelines on skid tank storage specification.</p>	
	<p>Corrections 1. i) Appointment letter to be given to personnel who responsible for monitoring of ensuring service of oil trap in workshop area. - Person in-charge: Mr Chong Chung Wai - Time Frame: 07 Nov 2017 (Done) ii) Training to be given to personnel in-charge of oil trap maintenance to ensure the maintenance is properly done as per guidelines and standard. - Person in-charge: Chandran a/l Kannan - Time Frame: 08 Nov 2017 (Done) 2. i) Quotation to construct oil trap pit will be obtain from the reliable company. - Person in-charge: Mr. Chong Chung Wai - Time Frame: 10 Nov 2017 (Done) ii) Management will ensure the construction compete within the stipulated time - Person in-charge: Mr. Chong Chung Wai - Time Frame: 10 Nov 2017 (Done) iii) Appointment letter to be given to personnel who responsible for monitoring of ensuring service of oil trap in diesel area - Person in-charge: Mr. Chong Chung Wai - Time Frame: 7 Nov 2017 (Done) iv) Training to be given to personnel in-charge of oil trap maintenance to ensure the maintenance is properly done as per guidelines and standard - Person in-charge: Chandran a/l Kannan - Time Frame: 8 Nov 2017 (Done)</p>	

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	<p>v) Oil trap maintenance and inspection will be conducted as per checklist for cleaning and inspection oil trap sump pit</p> <ul style="list-style-type: none"> - Person in-charge: Rudi Arif - Time Frame: Continuous (as per monthly maintenance schedule) <p>Corrective Actions Pollution and mitigation plan was amended to capture the aspect and impact of oil leakage from skid tank and other operation area in mill compound. The plan will review accordingly to ensure the effectiveness of implementation.</p> <ul style="list-style-type: none"> - Person in-charge: Mr. Faisal Awang Amit - Time Frame: As per date review stipulated in Plan and Mitigation Plan <p>Assessment Conclusion On-site Major NC Close-out visit was conducted on 8/1/2018 for the verification of CAP confirmed that the CAP was evidently effective hence, the Major NC was closed on 8/1/2018.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1554102-201709-N1	<p>Requirements Indicator 4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate</p> <p>Evidence of Nonconformity Asia POM Calibration was not conducted for the stack monitoring equipment (CEM). Due for calibration on April 2017</p> <p>Statement of Nonconformity Monitoring equipment was not effectively maintained</p> <p>Root Cause Missed on the date of calibration rendering insufficient time for planning and engagement of consultant for appointment</p> <p>Corrections Contacted ST Tech Engineering (consultation) to set a date to do the CEMS calibration.</p> <ol style="list-style-type: none"> 1) Person in-charge: Loo Qai Shien 2) Time Frame : 14 Nov 2017 (Done) <p>Corrective Actions</p> <ol style="list-style-type: none"> 1) Responsible person to monitoring the calibration of CEMS will be appointed to ensure the device well function to capture data of emitted smoke and transmit the data to DOE <ul style="list-style-type: none"> - Person in-charge: Mr Chong Chung Wai - Time Frame: 07 Nov 2017 (Done) 2) All the expiry date will be list down in on the information board for reminder and action to engage the consultation for the calibration will be 3 month prior the date of calibration expired <ul style="list-style-type: none"> - Person in-charge: Jaini Bin Masri - Time Frame: 3 month before the calibration expired <p>Assessment Conclusion</p>	Minor

	The proposed correction and corrective action to be taken has been accepted and its evidence of effectiveness to be verified in the next assessment.	
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Observation	
OBS #	Description
1554102-201709-01	Indicator 6.5.3 The sampling for analysis by third party lab of drinking water supplies from own water treatment plant to be cross-checked further for endorsement by the Health Department.

Positive Findings	
PF #	Description
1.	Good commitment shown by all personnels throughout the audit.

Issues raised by Stakeholders	
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Asia Palm Oil Mill Certification Unit's environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO 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 later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>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 E.</p>	
IS #	Description
1	<p>Issues: Sandakan DOE Enforcement Officer: - No issues in mandatory submissions (Online Environmental Reporting) - Mill been reminded for the preparation to comply with EQ (Clean Air) Reg. 2014.</p> <p>Management Responses: - Reminder by DOE Enforcement Officer for the preparation to comply with EQ (Clean Air) Reg. 2014 was taken action and work are in progress.</p> <p>Audit Team Findings: The mill in progress of upgrading its boiler chimney system in order to comply with EQ (Clean Air) Reg. 2014. The project expected to be completed in 2019.</p>
2	<p>Issues: Sandakan DOSH Inspection Officer: - Issues related to machinery noncompliance found during mill inspection was taken action accordingly. - No issues related to reporting of LTA.</p> <p>Management Responses: Info noted.</p>

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	<p>Audit Team Findings: No further issue.</p>
3	<p>Issues: Kinabatangan Labour Officer: - No issues related to Labour Office permits - No any complaints received from any worker</p>
	<p>Management Responses: Info noted.</p>
	<p>Audit Team Findings: No further issue.</p>
4	<p>Issues: IOI Ladang Morisem (Neighbour Estate) - No issues related to boundaries - Good relationship between both companies</p>
	<p>Management Responses: Info noted.</p>
	<p>Audit Team Findings: No further issue.</p>
5	<p>Issues: Humana teacher - Good support by company on school related matters and activities</p>
	<p>Management Responses: Info noted.</p>
	<p>Audit Team Findings: No further issue.</p>

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1400203M1	<p>Requirements Indicator 2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p>	Major

	<p>Evidence of Nonconformity</p> <p>Employment of workers is not according to Immigration Act 1959/63, Section 55B, subsection (1) observed in following estates: In Hwa Li Estate Div.3, in total of 518 workers and employment condition were observed as below:</p> <ul style="list-style-type: none"> a. 181 workers without passport and permit (Composition: Philippines= 60; Indonesian= 121) b. 106 workers with passport but without permit. <p>Out of 181 workers, 84 workers were recruited throughout year 2016. The management has made application to Republic of the Philippines to obtain the Negative Certification of Birth (NSO) and the authority had sent the birth certificate on 20/7/2016 for total 41 workers. Up to date, only 35 Philippines with NSO.</p> <p>On 28 Sep 2016, the management has written to Immigration Department Sabah to apply for legal permit of total 100 Indonesian workers. However, no official respond from relevant authority.</p> <p>In Melewar Estate 2, in total of 198 workers and employment condition were observed as below:</p> <ul style="list-style-type: none"> a. 38 Indonesian workers without passport and permit were recruited on Year 2016. b. 47 Indonesian workers with passport but without permit were under progress of application for permit. c. 7 Indonesian workers without passport and permit were under application for passport. 	
	<p>Statement of Nonconformity</p> <p>The management did not comply with Immigration Act 1959/63.</p>	
	<p>Corrective Actions</p> <p>Root Cause: Due to high turnover and unconscious of recruitment requirement regarding to Immigration Act. The Estate Managers had recruited undocumented workers as workforce. The Managers thought that the legalization can be settled later through agent procedures of recruitment. However, due to lack of monitoring system from estate management, the process of recruitment is delayed and not properly progressing as per Group’s policy where no employment of undocumented workers.</p> <p>Correction:</p> <ul style="list-style-type: none"> a. Estate Managers are instructed to performed legalization process immediately to ensure those pending cases are closed and completed within the 2 months period. b. Termination letter will be served to terminate all undocumented workers with immediate effect. <p>Corrective Action:</p> <ul style="list-style-type: none"> a. The Group acknowledges the mistake and seriousness of recruiting undocumented workers due to lack of monitoring system and enforcement from the personnel. With immediate effect, Head Office has reinforced back the Group’s recruitment policy where 100% legalized workers on employment. More frequent site audit will be carried out to ensure the operating units are adhering to the policy. b. No more recruitment of undocumented workers in future and strictly abides to HQ Policy of no illegal workers in the operating unit. 	

	<p>Assessment Conclusion It has confirmed that the issue has been fully addressed hence the Major NC was closed on 12/1/2017. The continuous implementation on the effectiveness verified during this audit shown no any recurrence of issues.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1400203M2	<p>Requirements Indicator 5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent.</p> <p>Evidence of Nonconformity In Asia Palm Oil Mill, following monitoring activities has not carry out as per requirements under Department of License No: 004831</p> <ul style="list-style-type: none"> a. Requirements no 22: The stack monitoring did not carry out twice a year since April 2015. b. Requirements no 23: Monitoring of the water quality at upstream and downstream of Tenegang River on monthly basics since 01 July 2016. <p>Statement of Nonconformity Monitoring of polluting activities is not implemented effectively.</p> <p>Corrective Actions Root Cause:</p> <ul style="list-style-type: none"> a. Management had overlooked on the monitoring of boiler stack report which should be carried out twice a year. Other than that, the Mill Management has failed to appoint the specific personnel to monitor and ensure the activity is carried out as per schedule. b. The management acknowledge the sample for water quality sampling is wrongly taken and not as per stated in DOE's requirement. For clarification, the sampling location was not reflective to mill final discharge activities as the point is also having input from other sources. However, the mill management failed to obtain the approval from DOE to change the sampling point and has overlooked on the monitoring of correspondence with DOE. <p>Correction:</p> <ul style="list-style-type: none"> a. As correction, the Mill has engaged a consultant for stack emission monitoring. The Mill Management will appoint a specific personnel in-charge for this duty to ensure that the requirement as per stipulated in DOE Regulation will be in compliance. b. The Mill has immediately shift back sample monitoring to the sampling point as per DOE's statement. The current sampling point which is more reflective to mill's final discharge activities will still be monitored. <p>Corrective Action:</p> <ul style="list-style-type: none"> a. Mill Management acknowledges the mistake and is mainly due to lack of monitoring system. The Mill Management appointed personnel in-charge for 	Major

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	<p>this duty will ensure that the requirement as per stipulated in DOE Regulation will be in compliance with the engagement of consultant.</p> <p>b. For the purpose of monitoring Mill’s final discharge, the Mill will be sampling waste from the upstream and downstream of the river on monthly basis. In the meantime, the Management will continue to correspond with DOE regarding the approval to amend the water sampling point. The Mill Management will appoint specific personnel in-charge for this duty to ensure the correspondence is not overlooked again.</p>	
	<p>Assessment Conclusion It has confirmed that the issue has been fully addressed hence the Major NC was closed on 12/1/2017. The continuous implementation on the effectiveness verified during this audit shown no any recurrence of issues.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1400203M3	<p>Requirements Indicator 4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>Evidence of Nonconformity 1. Activities related to confined space hazards were not identified and assessed in the HIRARC: a. Vertical sterilizer b. Clarifier tank c. BST d. Kernel bunker e. Nut silo f. Boiler g. Softener</p> <p>2. During site visit at Asia POM, Hwa Li Estate Div.3 and Melewar Estate 2 (workshop), there is no safety device installed for oxy-fuel welding and cutting equipment.</p> <p>Statement of Nonconformity 1. Activities related to confined space hazards were not identified and registered in the HIRARC at Asia POM. 2. Safety device (flashback arrestor) for oxy-fuel welding and cutting was not installed (Asia POM, Hwa Li Estate Div.3 and Melewar Estate 2).</p> <p>Corrective Actions Root Cause: a. The Mill Management had overlooked and failed to review the HIRARC to include all types of possible risks in the Mill. The failure is mainly due to lack of monitoring system and understanding by the person in-charge. b. The Group has acknowledged the mistake in overlooking the safety device due to lack of knowledge on the equipment.</p>	Major

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	<p>Correction:</p> <ul style="list-style-type: none"> a. The Mill Management has immediately reviewed and included their activities related to confined space hazards in their HIRARC. b. All Operating Units have been instructed to install the safety device for Oxy-fuel welding and cutting equipment. <p>Corrective Action:</p> <ul style="list-style-type: none"> a. The Mill Management will identify the person in-charge again to be responsible for the duty of monitoring activities in the mill versus the risks assessed so that the HIRARC can be reviewed when the need arise. The person in-charge will be trained to ensure that the duty is fully understood. c. Implementation of safety devices as such will be instilled to the best of the Group's knowledge. Each Operating Unit's Managers will ensure the implementation is done properly. b. During annual site visit, the implementation will be crossed check to ensure that all Operating Units are in line with the Group's implementation. 	
	<p>Assessment Conclusion</p> <p>It has confirmed that the issue has been fully addressed hence the Major NC was closed on 12/1/2017. The continuous implementation on the effectiveness verified during this audit shown no any recurrence of issues.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1400203N1	<p>Requirements Indicator 5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p>	Minor
	<p>Evidence of Nonconformity</p> <p>In Asia POM's clinic, used cotton and syringes with attached needles were found store in the mineral water with label such as sharp object. The disposal is not according to Guidelines on the Handling and Management of Clinical Waste in Malaysia 2009 that all clinical waste are deposited only in yellow bags and sharps in sharp bins only.</p>	
	<p>Statement of Nonconformity</p> <p>Waste management and disposal plan is not implemented effectively.</p>	
	<p>Correction</p> <ul style="list-style-type: none"> 1) All SOP, guidelines, standards related to waste management will be reviewed to include the elements that require more proper waste management that also require under law and regulation. Person in-charge - Mr. Seow CC (HQ) Time Frame - December 2016 2) Training to be given to personnel in-charge of waste management in each operating unit to ensure the implementation is according to the revised SOP, guidelines and standards. 	

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	<p>Person in-charge - Operation Efficiency Control Team lead by Mr. Seow CC. (Ms. Aisa) Time Frame December 2016</p> <p>3) All inappropriate waste collection containers will be replaced with the appropriate type. Person in-charge - Mr. Henry (S. Manager - APOM) - Mr. Alex (D. Manager – APOM) Time Frame – December 2016</p> <p>Corrective Actions</p> <p>1) Audit will be incorporated together with sustainability visit to ensure the new waste management system is properly implemented. Person in-charge - Operation Efficiency Control Team lead by Mr. Seow CC Time Frame – According to visit schedule</p>	
	<p>Assessment Conclusion</p> <p>Whilst being able to resolve the issue based on the evidence verified on the effectiveness of corrective action taken, this Minor NC has been escalated to Major NC due other issue found which falls under the same indicator 5.3.3. Details of NC reported in the section 3.3 (Major NC # 1554102-201709-M1) above.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1400203N2	<p>Requirements Indicator 4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p> <p>Evidence of Nonconformity</p> <p>1. At Hwa Li Estate Div.3: a. Covered by accident insurance: 357 workers b. Not covered: 161 workers</p> <p>2. Melewar Estate 2: a. Covered by accident insurance: 111 workers b. Covered by accident insurance (in-progress): 54 workers c. Not covered : 33 workers</p> <p>Statement of Nonconformity At Hwa Li Estate Div.3 and Melewar Estate 2, not all foreign workers were covered by accident insurance (foreign workers compensation scheme).</p> <p>Correction With the current process of legalization, the Estate Management will go through once more and submit notice of addition to HQ to insure all available and eligible workers with FWCS.</p>	Minor

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	<p>Person in-charge - Mr. David Tan (VSM - Hwa Li Estate Div.3) - Mr. Raja and Mr. Danial (Deputy Manager – Hwa Li Estate Div.3) - Mr. Rodrigo (Melewar Estate 2) Time Frame - 31st December 2016</p> <p>Corrective Actions Once the process of recruitment is settled, the workers will all be covered with FWCS.</p> <p>1) As such, the Estate Management will ensure that all the workers are documented and covered with FWCS. Person in-charge - Mr. David Tan (VSM - Hwa Li Estate Div.3) - Mr. Raja and Mr. Danial (Deputy Manager – Hwa Li Estate Div.3) - Mr. Rodrigo (Melewar Estate 2) Time Frame – On-going</p> <p>2) Frequent audit on workers recruitment process to ensure the legalization of workers are properly performed and monitored by the managements. With that done, all workers will be ensured to have covered with FWCS. Person in-charge - Operation Efficiency Control Team lead by Mr. Seow CC. (Ms. Aisa & Ms. Stearonthia) Time Frame – Monthly basis</p>	
	<p>Assessment Conclusion The evidence of corrective actions implementation effectiveness was verified during this audit and the result shown no any recurrence of issues. It has confirmed that the issue has been fully addressed hence the Minor NC was closed on 9/11/2017.</p>	

Observation	
OBS #	Description
	Nil

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
M1-4.7.1	Major	29/10/2015	Closed on 10/11/2015
1400203M1	Major	10/11/2016	Closed on 12/01/2017
1400203M2	Major	10/11/2016	Closed on 12/01/2017
1400203M3	Major	10/11/2016	Closed on 12/01/2017
1400203N1	Minor	10/11/2016	Upgraded to Major NC
1400203N2	Minor	10/11/2016	Closed on 09/11/2017
1554102-201709-M1 – 5.3.3	Major	09/11/2017	Closed on 08/01/2018
1554102-201709-N1 – 4.1.3	Minor	09/11/2017	“Open”

Assessment Conclusion and Recommendation:

Based on the findings during the assessment Asia Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C 2013 (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Nov. 2014) for CPO Mill. It is recommended that the certification of Asia Palm Oil Mill Certification Unit is approved and continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Mr. Seow Chee Chiang	Name: Mr. Hafriazhar Mohd Mokhtar
Company name: Carotino/JC Chang Group Asia Production Unit	Company name: BSI Services Malaysia Sdn Bhd
Title: Senior Manager	Title: Lead Auditor
Signature:  Date: 19/04/2018	Signature:  Date: 17 April 2018

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Seow Chee Chiang
Senior Manager

Appendix A: Summary of Findings

Criterion / Indicator		Assessment Findings	Compliance
Principle 1: Commitment to Transparency			
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	JC Chang Group has developed a Guideline on Mechanism for Information Requests by Stakeholders with Doc. Ref. No. E/006-06/2017 dated 6/1/17. Information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Restricted information such as account and cost data, personal privacy and etc are not allowed to be shared publicly.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	The management has implemented stakeholder request register where the stakeholders' request were recorded into the logbook maintained at each operating units office. Most of them were requested for electricity and tent set-up for functions such as wedding ceremony, Christmas celebration and etc.	Complied
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.			
1.2.1	Publicly available documents shall include, but are not necessary limited to: • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance –	No restriction noted as to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. Asia Production Unit (APU) under the Carotino /JC Chang Group has a website www.carotino.com for the promotion of its products. The website also contains information about the company's corporate structure, its policy and management objectives. Information relating to land titles, SEIA Report, HCV report, Complaint and Grievances procedures, safety and health plans, pollution prevention plans was made available at all operating units including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view. These documents highlight current Carotino /JC Chang Group practices and their continual improvement plans.	Complied
Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			

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Criterion / Indicator	Assessment Findings	Compliance
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p> <p>JC Chang Group has implemented Corruption Prevention Policy dated 4/9/2015 which signed by Mill Director. The group is respect fair conduct of business, apply zero tolerance policy on corruption, prohibition all forms of corruption, bribery and fraudulent use of funds and resources and etc. The policy was displayed on the notice boards at strategic locations within operating units offices.</p>	Complied
Principle 2: Compliance with applicable laws and regulations		
Criterion 2.1:		
There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance -</p> <p>Hwa Li Estate Div.3 Land Title Summary:</p> <p>Area Statement for Fiscal Year 2017, Period 2 (1-31/8/2017), total area: 4,277.60. Following titles sighted:</p> <ol style="list-style-type: none"> 1) Owner: Syarikat Keratong Sdn. Bhd.; Title # CL 95324502; Lot # PT 92090895; District: Kinabatangan; Mukim: Tenegang; Area: 4,047 ha; Expiry date: 31/12/2092 2) Owner: Syarikat Keratong Sdn. Bhd.; Title # CL 95327138; Lot # PT 94091067; District: Kinabatangan; Mukim: Sungai Koyah; Area: 230.6 ha; Expiry date: 31/12/2097 (Transfer of ownership from Normah Kasim, Tan Sui Thai, Wong Len Kee, Ali Haji Omar, Lean Shing Pek & Amir Madduruf to Syarikat Keratong Sdn. Bhd.) <p>Sample quit rent payment receipt # 09201705000323 for title # CL 95324502; dated 23/5/2017 & receipt # 09201705000324 for title # CL 09327138; dated 23/5/2017</p> <p>Asia Oil Palm Estate Div.2 Land Title Summary:</p> <p>Based on of Area Statement for Fiscal Year 2017, total area: 3,024 ha; Cultivated Area: 2,715.22 ha; Uncultivated area: 308.78 ha. Following title sighted:</p> <ol style="list-style-type: none"> 1) Owner: Asia Oil Palm Sdn. Bhd.; Title # CL 95317383; Lot # 95317383; District: Kinabatangan; Mukim (Locality): Tenegang/Koyah; Area: 4,047 ha; Expiry date: 31/12/2088 <p>Sample quit rent payment receipt # BL00604 for title # CL 95317383; dated 26/5/2016</p> <p>The company had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were :</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Asia POM</p> <ol style="list-style-type: none"> 1. DOE License/Jadual Pematuhan: JP 004831 (validity period 01/07/2017 - 30/06/2018) for 80 MT/hr and method of POME discharge through land application (furrow system). 2. MPOB license: 500143104000 (validity period 01/12/2016 - 30/11/2017) 3. License for hiring non- permanent residents worker Licence No: JTK.H.KBN.600-4/1/10401/0063 (Business reg: 007488-U; validity 21/02/2017-28/12/2018). 4. Permit to purchase, store and use of sodium hydroxide #040036; Reg no: SC0084/2017 (maximum of solid - 28,000). 5. BLESS ref: 670731125273 (BLESS e-Registration Validation email dated 11/01/2017. Sighted letter dated 02/11/2017 from Kejuruteraan CH to notify that the BLESS is under processing. 6. FFB Grader serial no: 00118. 7. Certificate of Fitness for Unfired Pressure Vessels:- <ol style="list-style-type: none"> a. (JKT15-Pin. 1/87 PMT-SB/17 02478) – SB PMT 1071 (valid till 12/07/2018). b. (JKT15-Pin. 1/87 PMT-SB/17 02474) - PMT 89697 (valid till 06/08/2018). c. (JKT15-Pin. 1/87 PMT-SB/17 02979) – SB PMT 13100 (valid till 12/07/2018). 8. Sighted attendance certificate for the Certified Environmental Professional in Scheduled Waste Management (CePSWaM) Course dated 08 - 12/10/2017. 9. Sighted course application form for CePPOME dated 18/09/2017 from Enviro Academy. All courses scheduled for 2017 are full and was registered for the 2018 sessions when the schedule is available. <p>Hwa Li Estate Div.3</p> <ol style="list-style-type: none"> 1. MPOB license: 503266302000 (validity 28/11/2016 - 31/12/2017). 2. Diesel Permit #S002244, ref kpdnkk.ltd.900.3/1 (17/2004) (validity 27/12/2016 – 26/12/2017) Quantity: Diesel 40,000 liter. 3. Certificate of Fitness for Unfired Pressure Vessels (JKT15-Pin. 1/87 PMT-SB/17 05511) - SB PMT 1240 (valid till 01/11/2018). 4. Energy Commission License no: 2017/01277, serial no: 21818, capacity 112 kW (validity 25/05/2017 – 24/05/2018). <p>Asia Oil Palm Estate Div.2</p> <ol style="list-style-type: none"> 1. MPOB license: 502330302000 (validity 01/07/2017 - 30/06/2018). 2. Agriculture Department of Kinabatangan acknowledgement letter for nursery at Asia Oil Palm Sdn Bhd ref: JPTN(KBN):800-0/1 JLD. 1(103) dated 11/07/2017. 	

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Criterion / Indicator		Assessment Findings	Compliance
		3. Diesel Permit #S010724, ref PPDNKK.SDK.39/1998 (SKK) (validity 15/07/2017 – 14/07/2018) Quantity: Diesel 18,000 liter and Petrol 400 liter. 4. Certificate of Fitness for Unfired Pressure Vessels (JKT15-Pin. 1/87 PMT-SB/17 02308) - SB PMT 1238 (valid till 06/07/2018)	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	Documented system including legal requirements register: 1. Publication on Malaysia Laws and Regulations (List of Laws Applicable to Oil Palm Industry) Soft Copy 2. Asia POM - Law changes (last updated: 30/08/2017) 3. Hwa Li Estate Div.3 - Law changes (last updated: 27/10/2017) 4. Asia Oil Palm Estate Div.2 - Law changes (last updated: 30/10/2017) Observed that the list, namely Malaysia Laws and Regulation Applicable to Oil Palm, has been adequately reviewed. For example: a. Minimum Retirement Age Act 2012 b. EQA 1974, Clean Air Regulation 2014 c. Minimum Wages Order 2016 d. FMA 1974, Person in Charge, Regulation 2014 e. Environmental Quality Act 1974 (Act 127), regulations, rules & orders (as at 5th July 2014)	Complied
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	Evaluation of legal requirements and compliance status with legal requirement is monitored by the Estate Department, Manager (Admin/Sustainability), Estate & Mill Manager and Operating Units. Besides, the internal audit conducted by the Sustainability team from Head Office will able to check on the compliance status of the operating unit. The latest internal audit for Asia POM conducted on 10 - 11/07/2017. The latest internal audit for Hwa Li Estate Div.3 conducted on 05 - 06/07/2017. The latest internal audit for Asia Oil Palm Estate Div.2 conducted on 03 - 04/07/2017.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.4</p> <p>A system for tracking any changes in the law shall be implemented. - Minor compliance -</p>	<p>The company has established a documented SOP on Mechanism to Trace Changes in Legal Requirements (E/005-07/2017; dated 06/01/2017) for tracking any changes in the law.</p> <p>For the changes of laws, the company will refer to as below:</p> <ol style="list-style-type: none"> 1. The Senior Manager (SM) in Head Office will track for any relevant changes that will affect the oil palm industry. 2. Admin received & updated from SM. 3. Admin informs the respective manager based on the estate/mill to review and come up with his initial plan. 4. Manager calls a meeting with assistants and come up with his action plan. 5. Operating unit implement the new changes. <p>Currently, the person/team responsible for monitoring the changes and communicating in :-</p> <ol style="list-style-type: none"> a. Asia POM is Mohd Jaini Bin Masri appointed on 18/10/2017. b. Hwa Li Estate Div.3 is Adrianti Nahrud appointed on 28/02/2017. c. Asia Oil Palm Estate Div.2 is William Kok Pit Teck appointed on 12/08/2017. 	<p>Complied</p>
<p>Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
<p>2.2.1</p> <p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -</p>	<p>Hwa Li Estate Div.3 Land Title Summary: Area Statement for Fiscal Year 2017, Period 2 (1-31/8/2017), total area: 4,277.60. Following titles sighted:</p> <ol style="list-style-type: none"> 1) Owner: Syarikat Keratong Sdn. Bhd.; Title # CL 95324502; Lot # PT 92090895; District: Kinabatangan; Mukim: Tenegang; Area: 4,047 ha; Expiry date: 31/12/2092 2) Owner: Syarikat Keratong Sdn. Bhd.; Title # CL 95327138; Lot # PT 94091067; District: Kinabatangan; Mukim: Sungai Koyah; Area: 230.6 ha; Expiry date: 31/12/2097 (Transfer of ownership from Normah Kasim, Tan Sui Thai, Wong Len Kee, Ali Haji Omar, Lean Shing Pek & Amir Madduruf to Syarikat Keratong Sdn. Bhd.) <p>Sample quit rent payment receipt # 09201705000323 for title # CL 95324502; dated 23/5/2017 & receipt # 09201705000324 for title # CL 09327138; dated 23/5/2017</p> <p>Asia Oil Palm Estate Div.2 Land Title Summary: Based on of Area Statement for Fiscal Year 2017, total area: 3,024 ha; Cultivated Area: 2,715.22 ha; Uncultivated area: 308.78 ha. Following title sighted:</p> <ol style="list-style-type: none"> 1) Owner: Asia Oil Palm Sdn. Bhd.; Title # CL 95317383; Lot # 95317383; District: Kinabatangan; Mukim (Locality): Tenegang/Koyah; Area: 4,047 ha; Expiry date: 31/12/2088 <p>Sample quit rent payment receipt # BL00604 for title # CL 95317383; dated 26/5/2016</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	In Asia Oil Palm Estate Div.2, boundary stone in block 01A2 was sighted during field visit. In Hwa Li Estate Div.3 Field visit to block PM98C noted that boundary is visibly maintained and verified during the visit. Legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Asia Oil Palm Estate Div.2 and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP (Doc: B/003-04/2017 date 7/7/2017). Site visit to the block 1 and confirmed that the boundary stone are well maintained.	Complied
2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at te time of audit. The land belongs to JC Chang Group and land ownership documents verified.	Complied
2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at te time of audit. The land belongs to JC Chang Group and land ownership documents verified.	Complied
2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at te time of audit. The land belongs to JC Chang Group and land ownership documents verified.	Complied
2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at te time of audit. The land belongs to JC Chang Group and land ownership documents verified.	Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.		
2.3.1 Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	There is no land dispute in the Asia Production Unit at the time of audit. The land belongs to JC Chang Group with further verification of document and stakeholder interview. The estate is surrounded by neighbouring plantations and there is no village settlement near the area.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	There is no land dispute in the Asia Production Unit at the time of audit. The land belongs to JC Chang Group with further verification of document and stakeholder interview. The estate is surrounded by neighbouring plantations and there is no village settlement near the area.	Complied
2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	There is no land dispute in the Asia Production Unit at the time of audit. The land belongs to JC Chang Group with further verification of document and stakeholder interview. The estate is surrounded by neighbouring plantations and there is no village settlement near the area.	Complied
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	There is no land dispute in the Asia Production Unit at the time of audit. The land belongs to JC Chang Group with further verification of document and stakeholder interview. The estate is surrounded by neighbouring plantations and there is no village settlement near the area.	Complied
Principle 3: Commitment to long-term economic and financial viability		
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.		

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Criterion / Indicator	Assessment Findings	Compliance
<p>3.1.1</p> <p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -</p>	<p>Asia Palm Oil Mill</p> <p>Three Year Product Projection for Asia Palm Oil Mill sighted available. Projected FFB for 2018/19 192,330mt, OER 20.50%; KER 4.71%; 2019/20 (FFB 191,549mt; OER 20.30%; KER 4.65%) & 2020/21 (FFB 188,662mt; OER 20.20%; KER 5.47%). The management plan for Asia Palm Oil Mill for 16/17 – 19/20 was also available. Records observed:</p> <ul style="list-style-type: none"> a. Crop Estimate Summary for Fiscal Year 2016, 2017, 2018, and 2019. Item includes Projection of FFB receive, Oil production and extraction, Kernel production and extraction. b. Overall Revenue Expenditure Estimate for Fiscal Year 2016, 2017, 2018, and 2019. Item include Expenditure for processing and maintenance. c. Product projection FY 2015/2016 – 2018/2019, includes production cost and baseline (RM per tonne CPO), OER and KER trends, FFB received, and Forecast Price (RM per tonne CPO). <p>Based on Summary of Oil Palm Expenditure for Fiscal Year LintraMax Plantation Director 6.2.43; Printed on 3/11/2017, the management plan for Hwa Li Estate Div.3 for 2017/18 – 2020/21 was also available. Records observed:</p> <ul style="list-style-type: none"> a. Yield Statement b. Summary of estimates including overall expenditures, capital expenditures, general charges expenditure, oil palm expenditure, depreciation charges. c. Labour including labour statement, labour statistic, wages allocation etc. d. Vehicle expenditures including vehicle type expenditure, detail of vehicle account-workshop etc. <p>Based on Summary of Oil Palm Expenditure for Fiscal Year, the management plan for Asia Oil Palm Estate Div.2 for 2017/18 – 2020/21 was also available. Records observed:</p> <ul style="list-style-type: none"> a. Area in Hectares b. Upkeep & Cultivation c. Collection d. Proportion of general charges e. Total revenue expenditure f. Proportion of depreciation g. Total expenditure h. Yield per ha (mt) <p>Vehicle expenditures including vehicle type expenditure, detail of vehicle account-workshop etc.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																																													
<p>3.1.2</p> <p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -</p>	<p>Replanting of JC Chang Group estates were conducted based on the Guideline of Group’s Long Term Replanting Planning; Doc. ref. # A/016-04/2017; Subject: Replanting; Indicator ref.: 3.1.2; Doc Date: 5/7/2017. The Replanting Programme Reviewed FY 2017/18 for 2017-2041 established for all JC Chang Group Estates including Hwa Li Estate Div.3 and Asia Oil Palm Estate Div.2 are as following:</p> <table border="1" data-bbox="660 618 1139 1070"> <thead> <tr> <th>Year</th> <th>Estate</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Hwa Li</td> <td>-</td> </tr> <tr> <td>2018</td> <td>Estate Div.3</td> <td>296</td> </tr> <tr> <td>2019</td> <td></td> <td>322</td> </tr> <tr> <td>2020</td> <td></td> <td>281</td> </tr> <tr> <td>2021</td> <td></td> <td>314</td> </tr> <tr> <td>2022</td> <td></td> <td>270</td> </tr> <tr> <td>2023</td> <td></td> <td>325</td> </tr> <tr> <td>2017</td> <td>Asia Oil</td> <td>234</td> </tr> <tr> <td>2018</td> <td>Palm Estate</td> <td>272</td> </tr> <tr> <td>2019</td> <td>Div.2</td> <td>219</td> </tr> <tr> <td>2020</td> <td></td> <td>197</td> </tr> <tr> <td>2021</td> <td></td> <td>269</td> </tr> <tr> <td>2022</td> <td></td> <td>209</td> </tr> <tr> <td>2023</td> <td></td> <td>196</td> </tr> </tbody> </table> <p>Replanting planned for next year for PM96A after June 2018 for Hwa Li 3 Estate while current replanting in Asia Oil Palm Estate Div.2 ongoing at PM91B field.</p>	Year	Estate	Ha	2017	Hwa Li	-	2018	Estate Div.3	296	2019		322	2020		281	2021		314	2022		270	2023		325	2017	Asia Oil	234	2018	Palm Estate	272	2019	Div.2	219	2020		197	2021		269	2022		209	2023		196	<p>Complied</p>
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<p>Principle 4: Use of appropriate best practices by growers and millers</p>																																															
<p>Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.</p>																																															

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<p>4.1.1</p>	<p>Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>Estates and Oil Mill have maintained and revised if required, the Documented Standard Operating Procedures file that contains both the safe operating procedures and the procedures to implement the various major field operations. For example, among others, the Estate SOP Manual has procedures category for the following operations:</p> <ul style="list-style-type: none"> a. Guideline on Group’s Long Term Replanting Planning (A/016-04/2017; Rev. 5/7/2017) b. Oil palm nursery (A/006-01/2008) c. Replanting (A/007-02/2011) d. Pruning and Frond stacking (B/001-01/2008) e. Weeding Regime & Practices ((B/004-01/2008) f. Justifications for Pesticide Usage under IPM (B/008-14/2016) g. FFB Evacuation with MTG (D/003-01/2008) h. FFB Harvesting and Evacuation (D/004-05/2016) i. Fertiliser receipts, management and application (H/001-03/2016) j. Buffalo Management (K/001-01/2008) k. Buffaloes Assist Harvesting (K/002-01/2011) l. Integrated Pest & Disease Management (L/001-05/2014) m. Rat control and baiting (L/002-07/2016) <p>The estate has the SOP both in English and Bahasa Malaysia language.</p> <p>The Oil Mill Standard Operation Procedure (SOP) contains the procedures for all activities as below:</p> <ul style="list-style-type: none"> a. Reception Station (Q/018-04/2014) b. Grading Station (Q/019-04/2014) c. Threshing Station (Q/020-04/2014) d. Press Station (Q/021-03/2013) e. Clarification Station (Q/022-03/2013) f. Depericarper Station (Q/023-04/2014) g. Nut & Kernel Station (Q/024-03/2013) h. Boiler Station (Q/025-04/2014) i. Engine Room Station (Q/026-04/2014) j. Water Treatment Plant (Q/027-04/2014) k. Loading Ramp (Q/028-04/2014) l. Vertical Sterilizer Station (Q/039-01/2015) m. Biogas Plant (AOM-SOP-V2-15-RSPO.doc) n. Gas Engine Station (AECO-SOP-V2-15-RSPO.doc) <p>The Mill Safety and Standard Operation Procedure include procedures at the following stations :</p> <ul style="list-style-type: none"> a. Reception station, Grading station, Threshing Station, Pressing station, Clarification station, Depericarper, Nut and Kernel, Boiler, WTP, Loading Ramp, Steriliser station, Hoisting Station, Biogas station, Gas engine station and Workshop station <p>In the pictorial SOP displayed on the notice board in the office as well at the appropriate stations in the mill and Bahasa Malaysia is used as a language of communication.</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.2</p> <p>A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>The company has mechanism to check the implementation of procedure through routine inspection by Mill Director and VSM visit which weredschedule based on critical area.</p> <p>The inspection has covered all activities related to palm oil mill and oil palm agriculture practices.</p> <p><u>Asia Palm Oil Mill</u></p> <p>Latest visit by the Mill Director was in December 2016 (Mill Directory Visit Report July 2016 – December 2016).</p> <p><u>Hwa Li Estate Div.3</u></p> <p>Latest visit by the Visiting Senior Manager (VSM) was on 09 - 10/10/2017. VSM is currently preparing the report.</p> <p><u>Asia Oil Palm Estate Div.2</u></p> <p>Latest visit by VSM was on 05- 06/06/2017. Sighted the Asia Oil Palm Estate Div.2 Visiting Proforma & Notes for VSM visit.</p>	<p>Complied</p>
<p>4.1.3</p> <p>Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -</p>	<p>Record of monitoring and action taken has been provided and maintained at Asia POM and both estate offices.</p> <p>Monitoring plan was established based on DOE license compliance schedule (01/07/2017 – 30/06/2018) which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p> <ul style="list-style-type: none"> a. Scheduled wastes reporting via E-Swis refer to 5.3.2. b. POME is treated using aerobic and anaerobic ponds. c. Daily effluent test/ flowmeter on monthly basics; latest updated on October 2017. d. Sampled effluent monitoring records: Monthly Effluent Analysis Test Report no. 20171012/17A-17C for sample taken on 12/10/2017 by Dynakey Laboratories; parameter monitored-: pH, BOD, COD, TS, SS, TN, AN, O&G. Samples were taken from each point of treatment in the system consist of upstream, downstream and final discharge before field irrigation. BOD limit for final discharge <20mg/L were met as well as all parameters that were within allowable limit. e. Stack monitoring sighted. Stack monitoring, twice per year. <p>Calibration was not conducted for the stack monitoring equipment (CEM). Due for calibration on April 2017.</p>	<p>Minor nonconformance</p>

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Criterion / Indicator	Assessment Findings	Compliance	
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Asia POM kept the Stakeholders List (FFB Suppliers to Asia Palm Oil Mill; Last updated 27/10/2017) which listed all 3 own estates (Asia Oil Palm Estate Div.2, Hwa Li Estate Div.3 & Melewar Estate 2) and a total of 8 external FFB Suppliers sighted as following: - KJS Resources Sdn. Bhd. - Benar Waris Sdn. Bhd. - Smart Foremost Sdn. Bhd. - Sentrabayu Industries Sdn. Bhd. - Tapak Jutamaju Sdn. Bhd. - Jiang Sun Sdn. Bhd. - Meran Sdn. Bhd. - Kebaco Sdn. Bhd. All external FFB suppliers are licensed with MPOB. It's good if the mill can keep the valid copy of their FFB suppliers MPOB licenses.	Complied
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	SOP-Methods of nutrient assessment for oil palm fertilizer recommendation (B/015-01/2013) and SOP-Soil and water conservation (C/002-01/2008) were established. Soil analysis and foliar sampling will be monitored on yearly basis. Both estates operate in accordance with the Agriculture Manual and standard operating procedures. The practices consistently monitored by estate operation management and plantation director. The recommendations for improvements are given to maintain the sustainable practices.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.2.2</p> <p>Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Manuring programme and stock input was available and maintained accordingly by the management Hwa Li Estate Div.3 & Asia Oil Palm Estate Div.2 for FY 2017/2018.</p> <p>Fertilizers are applied as per agronomist recommendation.</p> <p>Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.</p> <p><u>Hwa Li Estate Div.3:</u> Hwa Li 3 (Main Division) Total Fertilizer Requirement First Half 2017/2018 Financial Year (Jul-Dec 2017). Fertilizer recommendation by agronomist for 2017/18 was sighted (P/MG Mix: 592.8mt and NK Mix: 670.1mt). The summary of fertilizer usage for Main Division (as of 30/9/2017) are as follow: a. P/MG Mix (Jul-Sep 2017): 592.8 mt = 11,856 bags b. NK Mix (Sep-Nov 2017): 670.1 mt = 13,402 bags P/MG Mix application completed for both Main Division and Second Division for Second Division.</p> <p><u>Asia Oil Palm Estate Div.2:</u> Asia Oil Palm Estate Div.2 Total Fertilizer Requirement First Half 2017/2018 Financial Year (Jul-Dec 2017). Fertilizer recommendation by agronomist for 2017/18 was sighted (P/MG Mix: 577.9mt; NK Mix: 656.5mt; ERP: 113.0mt; AC/DAP: 271.6mt & AS/AC/DAP: 31.9mt). The summary of fertilizer usage (as of 30/9/2017) are as follow: c. P/MG Mix (Jul-Sep 2017): 592.8 mt = 11,958 bags (due to carried forward balance from previous programs) d. NK Mix (Sep-Nov 2017): 670.1 mt = 13,130bags (actual) Both P/MG Mix and P/MG Mix application completed as per Fertilizer Delivery by Suppliers, Stock Balance and Application for FY2017/18.</p>	<p>Complied</p>
<p>4.2.3</p> <p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -</p>	<p>Leaf and soil nutrient analysis are commonly used in the diagnosis of fertilizer requirements in oil palms. The frequency for soil analysis and leaf sampling must be conduct for every year. Soil parameters including Total N, Total P, Available P, Exchangeable K, Ca & Mg, Organic C, pH and CEC. Records of monitoring sighted as following:</p> <p><u>Hwa Li Estate Div.3:</u> Soil Test Report (Ref.: HLE3/TGT/2016/4.2.2/kas; Dated: 9/1/2017; Report # R17/1/64 by KDC Laboratory KL-Kepong (Sabah) Sdn Bhd was sighted available. Foliar Test Report (Ref.: HLE3/TGT/2016/4.2.2/kas; Dated: 5/2/2017; Report # R17/1/218 by KDC Laboratory KL-Kepong (Sabah) Sdn Bhd was sighted available.</p> <p><u>Asia Oil Palm Estate Div.2:</u> Soil Test Report (Ref.: R01774 & R01775; Dated: 20/1/2017; Report # R17/1/174 by KDC Laboratory KL-Kepong (Sabah) Sdn Bhd was sighted available. Foliar Test Report (Ref.: R01772; dated: 6/2/2017; Report # R17/1/219 by KDC Laboratory KL-Kepong (Sabah) Sdn Bhd was sighted available.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																								
<p>4.2.4</p> <p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -</p>	<p>For Hwa Li Estate Div.3, nutrient recycling strategy was based on following:</p> <ul style="list-style-type: none"> i) Guideline for EFB Application in The Field (Hwa Li Estate Div.3); Guideline ref. # F/016-02/2017; date: 6/7/2017 ii) Guideline for Compost Application in Field; Doc. ref.: B/021-02/2017; Dated: 6/7/2017 <p>The compost application was carried out in Hwa Li Estate Div.3 and the records were available during the audit. Both compost & EFB rate applied based on agronomist recommendations.</p> <table border="1" data-bbox="660 707 1235 797"> <thead> <tr> <th>Month</th> <th>Tonnage</th> <th>Area</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Oct 17</td> <td>288.27mt</td> <td>14.33ha</td> <td>Compost</td> </tr> <tr> <td>Oct 17</td> <td>144mt</td> <td>7.16ha</td> <td>EFB</td> </tr> </tbody> </table> <p>For Asia Oil Palm Estate Div.2, nutrient recycling strategy was based on following:</p> <ul style="list-style-type: none"> i) Guideline for Semi-Decomposed EFB Application (Asia Oil Palm Estate Div.2); Guideline ref. # B/026-01/2017; date: 13/10/2017 ii) Guideline for Compost Application (Asia Oil Palm Estate Div.2); Doc. ref.: B/025-01/2017; Dated: 13/10/2017 <p>The compost application was carried out in Asia Oil Palm Estate Div.2 and the records were available during the audit. Both compost & EFB rate applied based on agronomist recommendations.</p> <table border="1" data-bbox="660 1227 1235 1317"> <thead> <tr> <th>Month</th> <th>Tonnage</th> <th>Area</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Oct 17</td> <td>555.90mt</td> <td>27.23ha</td> <td>Compost</td> </tr> <tr> <td>Oct 17</td> <td>361.5mt</td> <td>1.36ha</td> <td>EFB</td> </tr> </tbody> </table>	Month	Tonnage	Area	Type	Oct 17	288.27mt	14.33ha	Compost	Oct 17	144mt	7.16ha	EFB	Month	Tonnage	Area	Type	Oct 17	555.90mt	27.23ha	Compost	Oct 17	361.5mt	1.36ha	EFB	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance																																																		
<p>4.3.1 Maps of any fragile soils shall be available. - Major compliance -</p>	<p>Soil map was available at site. There were 5 types of soil at Hwa Li Estate Div.3.</p> <p>Soil series map available for both estates visited. No other soil categorised as problematic or fragile soil. Sighted the type of soil available at Hwa Li Estate Div.3:</p> <table border="1" data-bbox="660 548 1305 1249"> <thead> <tr> <th>N o.</th> <th>Association</th> <th>Form</th> <th>Parent</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>5=Kinabatangan</td> <td>Floodplaine</td> <td>Alluvium</td> <td>26.30</td> </tr> <tr> <td>2</td> <td>6=Sapi</td> <td>Swamps</td> <td>Alluvium & peat</td> <td>1.85</td> </tr> <tr> <td>3</td> <td>22=Lungmanis</td> <td>Low hills (slope 0-15°) & valley floors</td> <td>Mudstone & alluvium</td> <td>4.90</td> </tr> <tr> <td>4</td> <td>26=Rumidi</td> <td>Low hills and minor valley floors slopes 0-15°</td> <td>Mudstone, sandstone & misc. rocks</td> <td>34.77</td> </tr> <tr> <td>5</td> <td>33=Kretam</td> <td>Moderate hills slopes 0-20°</td> <td>Mudstone, sandstone & misc. rocks</td> <td>32.18</td> </tr> </tbody> </table> <p>Soil map was available at site. There were 3 types of soil at Asia Oil Palm Estate Div.2.</p> <p>Soil series map available for both estates visited. No other soil categorised as problematic or fragile soil. Sighted the type of soil available at Asia Oil Palm Estate Div.2:</p> <table border="1" data-bbox="660 1458 1305 1832"> <thead> <tr> <th>N o.</th> <th>Association</th> <th>Form</th> <th>Degree</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kinabatangan</td> <td>Floodplaine</td> <td>0°</td> <td>28</td> </tr> <tr> <td>2</td> <td>Lungmanis & Rumidi</td> <td>Low hills (slope 0-15°) & valley floors</td> <td><15°</td> <td>44</td> </tr> <tr> <td>3</td> <td>Kretam</td> <td>Moderate hills slopes 0-20°</td> <td>10-20°</td> <td>28</td> </tr> </tbody> </table>	N o.	Association	Form	Parent	%	1	5=Kinabatangan	Floodplaine	Alluvium	26.30	2	6=Sapi	Swamps	Alluvium & peat	1.85	3	22=Lungmanis	Low hills (slope 0-15°) & valley floors	Mudstone & alluvium	4.90	4	26=Rumidi	Low hills and minor valley floors slopes 0-15°	Mudstone, sandstone & misc. rocks	34.77	5	33=Kretam	Moderate hills slopes 0-20°	Mudstone, sandstone & misc. rocks	32.18	N o.	Association	Form	Degree	%	1	Kinabatangan	Floodplaine	0°	28	2	Lungmanis & Rumidi	Low hills (slope 0-15°) & valley floors	<15°	44	3	Kretam	Moderate hills slopes 0-20°	10-20°	28	<p>Complied</p>
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4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	There was no slope classification >25degree. Recently, terracing and establishment of cover crop (<i>Mucuna Bracteata</i>) are the usual soil conservation measures instituted on such terrain to minimize soil erosion and land degradation. Field inspection showed groundcover with soft grass and herbaceous weeds were maintained in interrows as ground covers to reduce surface water run-off and erosion. There is no significant erosion risk was noted during the field visit. There are no peat soils or soil categorised as problematic or fragile soil at both estates.	Complied
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	<u>Hwa Li Estate Div.3:</u> Based on Work Schedule for Grading and Compacting for FY17/18 was established and monitored on monthly basis by the management. Sighted re-surfacing plan for road chains with estimate and actual for FY 17/18 involved PM96B estimate chainage at 243 and actual chainage at 1557. Example of programme checked at both Estate shows the map indicating road repairs and maintenance for the whole estate roads. <u>Asia Oil Palm Estate Div.2:</u> Based on Work Schedule for Road Grading and Compacting for FY17/18 established, monitoring on monthly basis by the management implemented. Sighted road cambering and compacting is in progress as per schedule as sample for field PM92C estimate 20km and actual at 7.396km. Example of programme checked at both Estate shows the map indicating road repairs and maintenance for the whole estate roads.	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	Based on the field visit and soil maps established, there's no any fragile, problematic or peat soil within JC Chang estates.	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	Based on the field visit and soil maps established, there's no any fragile, problematic or peat soil within JC Chang estates.	Complied
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	Based on the field visit and soil maps established, there's no any fragile, problematic or peat soil within JC Chang estates.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.		

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.1</p> <p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>Sighted the SOP for the Guidelines on Water Management Plan (C/004-01/ 2008) was established. Water Management Plan was established.</p> <p>Sighted some of the activity:</p> <ul style="list-style-type: none"> a. Water analysis conducted on yearly basis, latest conducted on 17/08/2017 (Lab ref: 20170713/04B) at Asia POM by Dynakey laboratories Sdn Bhd. The result was within the limits. b. Inlet and outlet analysis (Report no: R17/7/247) was conducted on 19/07/2017 at Hwa Li Estate Div.3 by KDC Laboratory (KL-Kepong (Sabah) Sdn Bhd). 11 water samples were taken. The result was within the limits. c. Upstream (anak Sg Tenegang), Downstream (Anak Sg Tenegang) and Final discharge analysis (Report No: 20171012/17A-17C) was conducted on 20/10/2017 at Asia POM by Dynakey Laboratories Sdn Bhd. The result was within the limits. d. Effluent analysis e. Riparian Buffer zone f. Demarcation of wetlands areas g. Soil and water conservation measures h. No construction of bunds/weirs/dam across main rivers <p>The company has maintained monitoring records of water usage which recorded every day and summarised on monthly basis including the monitoring of rainfall water, which has been an alternative source of water as mitigation plan during draught season. Rainfall data for Hwa Li Estate Div.3 period from Jan 2017 to Oct 2017 recorded at 230.7 mm. Rainfall data for Asia Oil Palm Estate Div.2 period from Jan 2017 to Oct 2017 recorded at 224.3 mm.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.2</p> <p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Buffer zones had been maintained on both sides of rivers/streams in the estates as verified during on-site field inspection.</p> <p>There was no evidence of spraying around palms marked as boundary for the buffer zones. There was also no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.</p> <p>All the estates assessed has prepared map showing riparian buffer zones and demarcated the areas prior to replanting for all the estates.</p> <p>Field inspection confirmed that the buffer zone beside the stream has been demarcated clearly and maintained. River water analysis was carried out to check ensure protection of water course within estates.</p> <p><u>Hwa Li Estate Div.3</u> Latest monitoring by Dynakey Laboratories Sdn Bhd dated 21/08/2017, report ref# 20170725/02 for sample markings Domestic water. The water analysis result showed that all of the parameters indicating the water quality comply with NSDWQ.</p> <p>Inlet and outlet analysis (Report no: R17/7/247) was conducted on 19/07/2017 at Hwa Li Estate Div.3 by KDC Laboratory (KL-Kepong (Sabah) Sdn Bhd). 11 water samples were taken. The result was within the limits.</p> <p><u>Asia Oil Palm Estate Div.2</u> Latest monitoring by Dynakey Laboratories Sdn Bhd dated 17/08/2017, report ref# 20170713/04B for sample markings Domestic water. The results was within the limits of the NDWQS.</p> <p>Sighted latest monthly certificate of analysis (COA) by Dynakey Laboratories Sdn Bhd lab ref no: 20171012/17A – 17C dated 20/10/2017 for sample received on 12/10/2017 for sample marking A (Upstream), B (Downstream) and C (Final Discharge). Noted that the BOD for the final discharge was 5.30 mg/L and below the DOE’s requirement.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance												
<p>4.4.3</p> <p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -</p>	<p>In Asia POM, sampled effluent monitoring records: Monthly Effluent Analysis Test Report no. 20171012/17A-17C for sample taken on 12/10/2017 by Dynakey Laboratories; parameter monitored-: pH, BOD, COD, TS, SS, TN, AN, O&G.</p> <p>Samples were taken from each point of treatment in the system consist of upstream, downstream and final discharge before field irrigation. BOD limit for final discharge <20mg/L were met as well as all parameters that were within allowable limit.</p> <p>Quarterly return via Online Environmental Reporting (OER) and monthly effluent analysis.</p> <p>The latest 3rd quarter (ASSH/SDK(B)31/152/000/054) 01 July – 30 September 2017, submitted on 07/11/2017.</p> <p>Latest monitoring by Dynakey Laboratory Sdn Bhd, dated 30/08/2017, report ref# 20170824/03A-03C. Sampling date 24/08/2017. 08 parameters tested (BOD, COD, AN, TN, SS, TS, Oil & Grease and pH) is within the regulatory limit under mill's compliance schedule.</p> <p>2nd quarter (ASSH/SDK(B)31/152/000/054) 01 April – 31 June 2017, submitted on 21/09/2017.</p> <p>Latest monitoring by Dynakey Laboratory Sdn Bhd, dated 14/04/2017, report ref# 20170407/10A-10C. Sampling date 07/04/2017. 08 parameters tested (BOD, COD, AN, TN, SS, TS, Oil & Grease and pH) is within the regulatory limit under mill's compliance schedule.</p> <p>1st quarter (ASSH/SDK(B)31/152/000/054) 01 January – 31 March 2017, submitted on 26/04/2017.</p> <p>Latest monitoring by Dynakey Laboratory Sdn Bhd, dated 27/02/2017, report ref# 20170220/04A-04C. Sampling date 20/02/2017. 08 parameters tested (BOD, COD, AN, TN, SS, TS, Oil & Grease and pH) is within the regulatory limit under mill's compliance schedule.</p>	<p>Complied</p>												
<p>4.4.4</p> <p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -</p>	<p>Asia Palm Oil Mill monitored its water consumption on monthly basis for the source of water supply for its mill process usage.</p> <p>Total water consumed for the period from January to September 2017 was at 1.06m3/mt FFB processed.</p> <table border="1" data-bbox="660 1688 1299 1975"> <thead> <tr> <th data-bbox="660 1688 979 1765">FY</th> <th data-bbox="979 1688 1299 1765">Water consumption (m3/mt FFB)</th> </tr> </thead> <tbody> <tr> <td data-bbox="660 1765 979 1809">13/14</td> <td data-bbox="979 1765 1299 1809">1.53</td> </tr> <tr> <td data-bbox="660 1809 979 1854">14/15</td> <td data-bbox="979 1809 1299 1854">1.44</td> </tr> <tr> <td data-bbox="660 1854 979 1899">15/16</td> <td data-bbox="979 1854 1299 1899">1.18</td> </tr> <tr> <td data-bbox="660 1899 979 1944">16/17</td> <td data-bbox="979 1899 1299 1944">1.27</td> </tr> <tr> <td data-bbox="660 1944 979 1975">17/18 (as of Oct 17)</td> <td data-bbox="979 1944 1299 1975">1.12</td> </tr> </tbody> </table>	FY	Water consumption (m3/mt FFB)	13/14	1.53	14/15	1.44	15/16	1.18	16/17	1.27	17/18 (as of Oct 17)	1.12	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance												
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.														
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	<p>Sighted the SOP for the Guidelines in integrated pest and disease management of oil palm (L/001-06/2017) and Guidelines on rat control and baiting (L/002-07/2016) was available.</p> <p>The Integrated Pest Management (IPM) Plan was established thereafter. There was including Biological Control, Cultural practices and chemical control in their plan.</p> <p>Hwa Li Estate Div.3 - IPM Plan for financial year 2017/2018 dated 18/08/2017.</p> <p>Asia Oil Palm Estate Div.2 - IPM Plan for financial year 2017/2018 dated 01/07/2017.</p> <p>IPM Plan includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as Tunera subulata, Antigonon Leptopus and Cassia are grown in the estates.</p> <p>Records of planting of new areas and maintenance of existing areas of beneficial plants and location maps are available.</p> <table border="1" data-bbox="660 1093 1299 1290"> <thead> <tr> <th></th> <th>Distance</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Beneficial Plant</td> <td>16,610 meter</td> <td>Hwa Li Estate Div.3</td> </tr> <tr> <td>12,950 meter</td> <td>Asia Oil Palm Estate Div.2</td> </tr> </tbody> </table> <p>Sighted Planting predators house plant record 2017-2018 at Hwa Li Estate Div.3.</p> <p>Sighted Planting and establishment of predators host plant record 2016-2017 at Asia Oil Palm Estate Div.2.</p>		Distance	Estate	Beneficial Plant	16,610 meter	Hwa Li Estate Div.3	12,950 meter	Asia Oil Palm Estate Div.2	Complied				
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Beneficial Plant	16,610 meter	Hwa Li Estate Div.3												
	12,950 meter	Asia Oil Palm Estate Div.2												
4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	<p>Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment.</p> <table border="1" data-bbox="660 1617 1299 1944"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>02/05/2017</td> <td>IPM & Rat Baiting Training</td> <td>Tony Tiwon</td> <td>Hwa Li Estate Div.3</td> </tr> <tr> <td>05/09/2017</td> <td>IPM Training</td> <td>William Kok Pit Teck</td> <td>Asia Oil Pam Estate 2</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Estate	02/05/2017	IPM & Rat Baiting Training	Tony Tiwon	Hwa Li Estate Div.3	05/09/2017	IPM Training	William Kok Pit Teck	Asia Oil Pam Estate 2	Complied
Date	Training Topic	Trainer	Estate											
02/05/2017	IPM & Rat Baiting Training	Tony Tiwon	Hwa Li Estate Div.3											
05/09/2017	IPM Training	William Kok Pit Teck	Asia Oil Pam Estate 2											
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment														

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Criterion / Indicator	Assessment Findings	Compliance																							
4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification for all pesticides used was stated in the SOP for Pest and disease management and also in the IPM plan (Justifications for Pesticide Usage under IPM (B/008-14/2016)). The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	Complied																							
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides used (including active ingredients used and area treated, amount of active ingredients applied per ha and number of applications) were established and monitored. The records of weeding programme and herbicide master list was sighted. <table border="1" data-bbox="660 831 1299 1377"> <thead> <tr> <th></th> <th>Type</th> <th>FY16/17</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Hwa Li Estate Div.3</td> <td>Ally 20DF</td> <td>25.21 g a.i/ha</td> </tr> <tr> <td>Nufarm Glyphosate</td> <td>0.86 litre a.i/ha</td> </tr> <tr> <td>Garlon 250EC Herbicide</td> <td>0.01 litre a.i/ha</td> </tr> <tr> <td>Ammo Supre</td> <td>0.26 litre a.i/ha</td> </tr> <tr> <td>Storm</td> <td>0.07 g a.i/ha</td> </tr> <tr> <td rowspan="4">Asia Oil Palm Estate Div.2</td> <td>Ally 20DF</td> <td>5.66 g a.i/ha</td> </tr> <tr> <td>Glyphosate Sentry</td> <td>0.13 litre a.i/ha</td> </tr> <tr> <td>Miracle</td> <td>0.019 litre a.i/ha</td> </tr> <tr> <td>Storm</td> <td>0.01 g a.i/ha</td> </tr> </tbody> </table>		Type	FY16/17	Hwa Li Estate Div.3	Ally 20DF	25.21 g a.i/ha	Nufarm Glyphosate	0.86 litre a.i/ha	Garlon 250EC Herbicide	0.01 litre a.i/ha	Ammo Supre	0.26 litre a.i/ha	Storm	0.07 g a.i/ha	Asia Oil Palm Estate Div.2	Ally 20DF	5.66 g a.i/ha	Glyphosate Sentry	0.13 litre a.i/ha	Miracle	0.019 litre a.i/ha	Storm	0.01 g a.i/ha	Complied
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4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The management encourage establishing biological control as per IPM plan. The implementation in the field is consistent with the SOP operation.	Complied																							
4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	There are no Class 1A and Class 1B at the Hwa Li Estate Div.3 and Asia Oil Palm Estate Div.2 during this assessment.	Complied																							

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Criterion / Indicator		Assessment Findings	Compliance												
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Training records for staff and workers on pesticides were available and verified to be satisfactory during on-site assessment.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>02/05/2017</td> <td>IPM & Rat Baiting Training</td> <td>Tony Tiwon</td> <td>Hwa Li Estate Div.3</td> </tr> <tr> <td>09/09/2017</td> <td>Chemical Handling Training</td> <td>Tamil Selvan</td> <td>Asia Oil Palm Estate Div.2</td> </tr> </tbody> </table> <p>Workers applied chemical equipped with complete PPE in accordance with product label.</p>	Date	Training Topic	Trainer	Estate	02/05/2017	IPM & Rat Baiting Training	Tony Tiwon	Hwa Li Estate Div.3	09/09/2017	Chemical Handling Training	Tamil Selvan	Asia Oil Palm Estate Div.2	Complied
Date	Training Topic	Trainer	Estate												
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4.6.6	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key.</p> <p>During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.</p>	Complied												
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>The quantity of agrochemicals required for various field conditions are documented and justified in the SOP – Guidelines in integrated pest and disease management of oil palm (L/001-06/2017). The implementation in the field is consistent with the SOP.</p>	Complied												
4.6.8	<p>Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>No aerial spray was carried out.</p>	Complied												
4.6.9	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance -</p>	<p>There is no associated smallholder at Asia POM and both the estates.</p> <p>Employees demonstrate knowledge and skills on pesticide handling.</p> <p>MSDS/SDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as the use of safety pictorial poster for the easy understanding of the agrochemical handlers.</p>	Complied												
4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance -</p>	<p>Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned.</p> <p>Management disposes waste material as per regulation for schedule waste and domestic waste.</p>	Complied												

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<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -</p>	<p><u>Asia Palm Oil Mill</u> Medical surveillance carried out once a year for all chemical handlers. Last medical check-up was conducted on 17/08/2017 by DOSH Registered doctor No.: HQ/16/DOC/00/557 for 35 workers. 08 workers had undergone clinical features & biological monitoring and 10 workers had undergone blood spirometry/urine. All 35 workers were found fit based on the medical results.</p> <p><u>Hwa Li Estate Div.3</u> Medical surveillance carried out once a year for all sprayers and pesticide operators. Last medical check-up was conducted on 18/08/2017 by DOSH Registered doctor No.: HQ/16/DOC/00/557 for 75 workers. 52 workers had undergone blood spirometry/urine for non-organophosphate pesticides. 05 workers had undergone blood spirometry/urine for mineral oil. 58 workers had undergone blood spirometry/urine for fertilizer. All 75 workers were found fit based on the medical results.</p> <p><u>Asia Oil Palm Estate Div.2</u> Medical surveillance carried out once a year for all sprayers and pesticide operators. Last medical check-up was conducted on 31/03/2017 by DOSH Registered doctor No.: HQ/16/DOC/00/557 for 43 workers. All 43 workers were found fit based on the medical results.</p>	<p>Complied</p>																				
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -</p>	<p>Interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breastfeeding.</p> <p>The test was carried out by Medical Assistant of estate for the female workers.</p> <table border="1" data-bbox="662 1384 1299 1731"> <thead> <tr> <th>Gang No</th> <th>Last test</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>R04</td> <td>28/10/2017</td> <td>Negative</td> <td>Hwa Li Estate Div.3</td> </tr> <tr> <td>R03</td> <td>28/10/2017</td> <td>Negative</td> <td>Hwa Li Estate Div.3</td> </tr> <tr> <td>AOP2</td> <td>03/11/2017</td> <td>Negative</td> <td>Asia Oil Palm Estate Div.2</td> </tr> <tr> <td>R01</td> <td>03/11/2017</td> <td>Negative</td> <td>Asia Oil Palm Estate Div.2</td> </tr> </tbody> </table>	Gang No	Last test	Result	Estate	R04	28/10/2017	Negative	Hwa Li Estate Div.3	R03	28/10/2017	Negative	Hwa Li Estate Div.3	AOP2	03/11/2017	Negative	Asia Oil Palm Estate Div.2	R01	03/11/2017	Negative	Asia Oil Palm Estate Div.2	<p>Complied</p>
Gang No	Last test	Result	Estate																			
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R01	03/11/2017	Negative	Asia Oil Palm Estate Div.2																			
<p>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>																						

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<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>Asia Palm Oil Mill Company has established safety and health policy signed by Mr. Tay Chwee Leong, Mill Director dated 1st July 2016. Safety Policy has been made publicly available for all workers and related stakeholders through notice board at the Mill and Estate’s office compounds. The policy was communicated to all workers and staff on 2/9/16. Safety and Health (OSH) Plan and Improvement for Mill and Estates was established, dated 9/11/2015. Company held Emergency response drill 06th Sept 2017</p> <p>Hwa Li Estate Div.3; Estate has OHS Plan including covering planning, implementing and monitoring stage. Implementation record available such as medical surveillance, procedure and risk precaution sight in working area, such as in chemical store, fertilizer store, workshop, and also office and other place related to. Accident recorded in clinic and reported to admin officer accident reporting, workplace inspection, medical surveillance, management of chemical, schedule waste handling.</p> <p>Asia Oil Palm Estate Div.2; Safety and Health (OSH) plan and improvement (Estate), covering planning, implementing and monitoring stage. Implementation record available such as medical surveillance, procedure and risk precaution sight in working area, such as in chemical store, fertilizer store, workshop, and also office and other place related to. Accident recorded in clinic and reported to admin officer.</p> <p>Working area around office and store sight well maintained.</p>	<p>Complied</p>

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<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p><u>Asia Palm Oil Mill</u></p> <p>Procedure SOP on HIRARC Development-Guidelines for Hazard Identification, Risk Assessment and Risk Control (E/010-02/2013) was available at Asia POM and both estates.</p> <p>The HIRARC was established and all the activities were registered and reviewed in the HIRARC on 10/2/2016 by Asia POM management. Review of HIRADC every 3 year otherwise there is significant change in processes occurred.</p> <p>Eg: Weighbridge, Ramp, Threshing Station, Pressing Station, Clarification, Nut Cracking Station, Kernel Plant, Kernel Storage, CPO Storage, Boiler Station, Engine room, workshop, General-cleaning and others, Store, EFB Press, Laboratory, WTP, WWTP, Sterilizer, EFB Shredder , Rotating equipment (airlocks, nut cracker), Welding activity, Lab (oil extraction) and biogas plant.</p> <p>Hwa Li Estate Div.3;</p> <p>HIRADC in estate available covering all activities in field and facilities area such as spraying, chemical mixing, triple rinse , Drainage and irrigation, Harvesting, Pruning and raking, roads and bridges maintaining, weeding and manuring, workshop etc.</p> <p>Asia Oil Palm Estate Div.2;</p> <p>HIRADC covering all activities available, field and facilities area such as spraying, chemical mixing, triple rinse , Drainage and irrigation, Harvesting, Pruning and raking, roads and bridges maintaining, weeding and manuring, workshop etc. Risk precaution related to process or product sighted in working area last updated in January 2017 and resume of PPE usage matrix. risk precaution related to process or product sighted in working area.</p>	<p>Complied</p>

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<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p><u>Asia Palm Oil Mill</u></p> <p>Company has Training program for year 2017, Plan and realization record available, such as training of safety gas on 18-09-2017 attended by 17 workers. And PPE training on 24.04.2017, list of attendant available. During field visit observed adequate and appropriate protective equipment available to all workers at the place of work, such as Water treatment plan chemical mixing, loading ramp, boiler station, kernel station, etc.</p> <p>Hwa Li Estate Div.3:</p> <p>Training program 2017 available e.i:</p> <p>Workshop; held on June 2017, Harvesting: held on august 15th, 2017 attended by 22 harvester.</p> <p>Training basic OHS for Genset operator held on 12 June 2017, training facilitate by the assistant manager. During field visit observed adequate and appropriate protective equipment available to all workers at the place of work, such as chemical store, workshop, Genset room.</p> <p>Asia Oil Palm Estate Div.2,</p> <p>Training regarding safety working practice for all activities conducted and the record available, example Training for pesticide sprayer held on 30.07.2017 attended by sprayer and mixing worker. Training facilitated by field conductor. During field visit observed adequate and appropriate protective equipment available to all workers at the place of work, such as chemical store, workshop, Genset room. Crèche facility and Laborline.</p>	<p>Complied</p>

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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p><u>Asia Palm Oil Mill</u> SHC organization chart for 2017 Chairman – Mr. Chong Chung Wai (Sr. Mill Manager) Secretary – Mr Chandran (Ast. Mgr) Minutes of meeting OHS committee recorded every 3 months, and the last meeting on 29.09.2017 attended by 12 workers from vary sections</p> <p><u>Hwa Li Estate Div.3:</u> Safety committee organization chart: a. Chairman – Mr. Tan Gee Tan (Estate Manager) b. Secretary – Mr Tony Tiwon (secretary) appointed as secretay since Januari 20th, 2016 till today. Minutes of meeting OHS committee recorded every 3 months, and the last meeting on 20.09.2017 attended by 34 workers from vary sections.</p> <p><u>Asia Oil Palm Estate Div.2</u> Mrs. Norsryjumiati Achmad, assigned as safety committee secretary responsible for running safety and health management. Regular meeting conducted in three monthly based, last meeting held on 15.09.2017 Minutes of Meeting available, discussion about safety performance. Minutes meeting available.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Asia Palm Oil Mill</p> <p>Guidelines on first aid in the workplace (M/025-02/2014) and Guidelines on fire extinguisher selection, placement, use, maintenance, inspection and records/fire drill (RSPO Criterion 4.7-Ver.1) were established.</p> <p>Based on interview with workers in loading ramp and water treatment plan, they understood emergency procedure. First aid Kit available respective area/work station. Records of accidents are kept in clinic and admin officer and periodically reviewed.</p> <p>Hwa Li Estate Div.3:</p> <p>List of trained first aider available, training for them conducted on 15.05.2017 attd by 24 mandores and FC, trained by Health Assistant.</p> <p>Based on interview with workers in facilities and Genset House, they understood emergency procedure. First aid Kit available on those area/work station. Records of accidents are kept in clinic and admin officer and periodically reviewed. Record fo all accident kept by clinic and provided in statistic kemalangan and reviewed by safety committee secretary. First aid box available and in good condition</p> <p>Asia Oil Palm Estate Div.2</p> <p>Accident emergency procedure available in working area such as chemical store, and store keeper understood the procedure. Emergency contact person and their phone number available in working station.</p> <p>Based on interview with workers in facilities and Genset House, they understood emergency procedure. First aid Kit available on those area/work station. Records of accidents are kept in clinic and admin officer and periodically reviewed. Record fo all accident kept by clinic and provided in statistic kemalangan and reviewed by safety committee secretary. First aid box available and in good condition</p>	<p>Complied</p>
<p>4.7.6</p> <p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p>	<p><u>Asia Palm Oil Mill</u></p> <p>FWCS insurance by LoPAC for 85 foreign workers, while local workers covered by Government Insurance system by Pertubuhan Keselamatan Sosial (PERKESO) for 47 workers in Mill.</p> <p>Hwa Li Estate Div.3:</p> <p>All workers covered by accident insurance FWCS for foreign workers. All of 327 foreign workers in Hwa Li Estate Div.3 has been covered by Accident insurance with FWCS scheme</p> <p>Asia Oil Palm Estate Div.2</p> <p>All workers provided with medical care, for foreign worker (245 workers) following FWCS program, while local covered by Employee Provident Fund SOCSO.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance												
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p>All the injuries were recorded in the Total Accident/Incidents with and without lost days report.</p> <p>Lost time injuries recorded in clinic and Admin officer and review periodically, for lost time more than 4 days will be reported to JKPP, below are</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Asia POM</th> <th>Hwa Li Estate Div.3</th> <th>Asia Estate</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>5</td> <td>16</td> <td>26</td> </tr> <tr> <td>2017 (as at September 17)</td> <td>4</td> <td>5</td> <td>3</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days</p>	Year	Asia POM	Hwa Li Estate Div.3	Asia Estate	2016	5	16	26	2017 (as at September 17)	4	5	3	Complied
Year	Asia POM	Hwa Li Estate Div.3	Asia Estate												
2016	5	16	26												
2017 (as at September 17)	4	5	3												
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>															

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4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	Date	Training Topic	Trainer	Remarks	Complied
		30/10/2017	First Aid Training	HA (Zarinah)	Asia POM	
		12/10/2017	Erostar Tractor Training	Erostar	Asia POM	
		01/10/2017	RSPO Principle & Criteria	Mr Seow (HQ)	Asia POM	
		30/09/2017	ERT Bomba	Bomba dan Penyelamat Negeri Sabah	Asia POM	
		18/08/2017	AESP-R Training	En Azizi (NIOSH Sandakan)	Asia POM	
		06/09/2017	Calibration on Agro-chemical	Ahmad b Mohd Kassim	Hwa Li Estate Div.3	
		17/08/2017	Compost Operator Training	Tony Tiwon	Hwa Li Estate Div.3	
		03/08/2017	Creche Training	Juri Amor/Tony Tiwon	Hwa Li Estate Div.3	
		08/07/2017	Water Treatment Plant Training	Tony Tiwon	Hwa Li Estate Div.3	
		15/05/2017	ERP Training	Suzi Ayadun	Hwa Li Estate Div.3	
		22/08/2017	Fire Fighting Training	Zaherudden Abd Zal	Asia Oil Palm Estate Div.2	
		05/09/2017	Tractor Training	Tamil Selvan	Asia Oil Palm Estate Div.2	
		12/04/2017	PPE Training	Zaheruddeen Abd Zal	Asia Oil Palm Estate Div.2	
		14/03/2017	Manuring and Harvesting Training	Masdin Ganggasiu	Asia Oil Palm Estate Div.2	
30/07/2017	Spraying Training	Azhar Bin Ignanasiwa	Asia Oil Palm Estate Div.2			

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Criterion / Indicator		Assessment Findings	Compliance
4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	Records of training for employees available and maintained at the mill and estate office.	Complied
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity			
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 continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	<p>Sighted EIA - Waste & Pollutant Management (AOM-SOP-V3_2014_RSPO.doc; Version 3.0; Dated 26/07/2014). Documented aspects and impact risk assessment for JC Chang Group is available.</p> <p>Asia POM – Environmental Impact Assessment dated 09/06/2017 and reviewed date 08/06/2018.</p> <p>The SEIA assessment has been conducted by appointed consultant, Wild Asia (Malaysia) Sdn Bhd as evident in a report; Social & Environmental Impact Assessment Including Preliminary Management Review dated 13th Jul 2011.</p> <p>The key significant environmental aspects identified were:-</p> <p>Estate specific:</p> <ol style="list-style-type: none"> Quarrying for roading materials Land clearing for new or replantings Application of fertilizers Road constructions Land development in steep, wetlands or around waterways Nursery establishment <p>Mill & Estate</p> <ol style="list-style-type: none"> Chemical storage Landfilling operations Waste water (sewage & grey) Vehicle and machinery operations <p>Mill specific</p> <ol style="list-style-type: none"> Air stack pollution from the Mill Mill effluent discharge Mill waste from FFB-processing <p>Hwa Li Estate Div.3 – Environmental Impact Assessment dated 10/06/2017.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.1.2</p> <p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -</p>	<p>Asia POM has established a 5 years Environmental Improvement Plan (Doc ref: N/005-7/2017) which cover aspect, impact, action done & review, comment and person in charge.</p> <p>The plan is yearly review and includes:</p> <ul style="list-style-type: none"> a. Water Quality and water availability b. Eutrophication of aquatic environments c. Soil erosion and loss of productive capacity d. Waste management and landfills e. Pesticides usage, spillage and containment f. Dust and particulate emissions g. GHG emissions from plantation developments and mill operations. <p>Asia POM, the latest improvement plan review on 19/08/2017.</p> <p>Hwa Li Estate Div.3 and Asia Oil Palm Estate Div.2 has established a 5 years Environmental Improvement Plan which cover aspect, impact, action done & review, comment and person in charge.</p> <p>The plan is yearly review and includes:</p> <ul style="list-style-type: none"> a. Water Quality and water availability b. Contamination of Soil and Water c. Air Pollution d. Loss of biodiversity <p>The improvement plan sighted in Hwa Li Estate Div.3 which reviewed on 19/08/2017.</p> <p>Similar improvement plan sighted in Asia Oil Palm Estate Div.2 which reviewed on 27/10/2017.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																										
<p>5.1.3</p> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>Monitoring plan was established based on DOE license compliance schedule (01/07/2017 – 30/06/2018) which include scheduled waste storage and disposal record, POME final discharge BOD, stack monitoring and boiler stack sampling.</p> <p>Daily effluent test/ flowmeter on monthly basics; latest updated on October 2017.</p> <p>Sampled effluent monitoring records: Monthly Effluent Analysis Test Report no. 20171012/17A-17C for sample taken on 12/10/2017 by Dynakey Laboratories; parameter monitored:- pH, BOD, COD, TS, SS, TN, AN, O&G. Samples were taken from each point of treatment in the system consist of upstream, downstream and final discharge before field irrigation. BOD limit for final discharge <20mg/L were met as well as all parameters that were within allowable limit.</p> <p>Stack monitoring, twice per year.</p> <p>Stack No. 1: 12/04/2017, refer to report CK/A0407/063-1/17.</p> <table border="1" data-bbox="660 1070 1299 1283"> <thead> <tr> <th>Parameter</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Solid particle, g/Nm3 @ 12% CO2</td> <td>0.129</td> </tr> <tr> <td>NOx emission, g/Nm3</td> <td>-</td> </tr> <tr> <td>SOx emission, g/Nm3</td> <td>-</td> </tr> </tbody> </table> <p>Stack No. 2: 12/04/2017, refer to report CK/A0407/063-1/17.</p> <table border="1" data-bbox="660 1359 1299 1572"> <thead> <tr> <th>Parameter</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Solid particle, g/Nm3 @ 12% CO2</td> <td>0.277</td> </tr> <tr> <td>NOx emission, g/Nm3</td> <td>-</td> </tr> <tr> <td>SOx emission, g/Nm3</td> <td>-</td> </tr> </tbody> </table> <p>Stack No. 1: 13/10/2017, refer to report CK/MO407/177-1/17.</p> <table border="1" data-bbox="660 1648 1299 1861"> <thead> <tr> <th>Parameter</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Solid particle, g/Nm3 @ 12% CO2</td> <td>0.093</td> </tr> <tr> <td>NOx emission, g/Nm3</td> <td>-</td> </tr> <tr> <td>SOx emission, g/Nm3</td> <td>-</td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Parameter	Result	Solid particle, g/Nm3 @ 12% CO2	0.129	NOx emission, g/Nm3	-	SOx emission, g/Nm3	-	Parameter	Result	Solid particle, g/Nm3 @ 12% CO2	0.277	NOx emission, g/Nm3	-	SOx emission, g/Nm3	-	Parameter	Result	Solid particle, g/Nm3 @ 12% CO2	0.093	NOx emission, g/Nm3	-	SOx emission, g/Nm3	-			<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance								
	<p>Stack No. 2: 13/10/2017, refer to report CK/MO407/177-2/17.</p> <table border="1" data-bbox="660 465 1299 678"> <thead> <tr> <th>Parameter</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Solid particle, g/Nm3 @ 12% CO2</td> <td>0.133</td> </tr> <tr> <td>NOx emission, g/Nm3</td> <td>-</td> </tr> <tr> <td>SOx emission, g/Nm3</td> <td>-</td> </tr> </tbody> </table> <p>Quarterly return via Online Environmental Reporting (OER) and monthly effluent analysis.</p> <p>The latest 3rd quarter (ASSH/SDK(B)31/152/000/054) 01 July – 30 September 2017, submitted on 07/11/2017.</p> <p>Latest monitoring by Dynakey Laboratory Sdn Bhd, dated 30/08/2017, report ref# 20170824/03A-03C. Sampling date 24/08/2017. 08 parameters tested (BOD, COD, AN, TN, SS, TS, Oil & Grease and pH) is within the regulatory limit under mill's compliance schedule.</p> <p>2nd quarter (ASSH/SDK(B)31/152/000/054) 01 April – 31 June 2017, submitted on 21/09/2017.</p> <p>Latest monitoring by Dynakey Laboratory Sdn Bhd, dated 14/04/2017, report ref# 20170407/10A-10C. Sampling date 07/04/2017. 08 parameters tested (BOD, COD, AN, TN, SS, TS, Oil & Grease and pH) is within the regulatory limit under mill's compliance schedule.</p> <p>1st quarter (ASSH/SDK(B)31/152/000/054) 01 January – 31 March 2017, submitted on 26/04/2017.</p> <p>Latest monitoring by Dynakey Laboratory Sdn Bhd, dated 27/02/2017, report ref# 20170220/04A-04C. Sampling date 20/02/2017. 08 parameters tested (BOD, COD, AN, TN, SS, TS, Oil & Grease and pH) is within the regulatory limit under mill's compliance schedule.</p>	Parameter	Result	Solid particle, g/Nm3 @ 12% CO2	0.133	NOx emission, g/Nm3	-	SOx emission, g/Nm3	-	
Parameter	Result									
Solid particle, g/Nm3 @ 12% CO2	0.133									
NOx emission, g/Nm3	-									
SOx emission, g/Nm3	-									
<p>Criterion 5.2: The status of rare, threatened or endangered species and other 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 operations managed to best ensure that they are maintained and/or enhanced.</p>										
5.2.1	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -</p>	<p>Identification of HCV was conducted by appointed consultant Wild Asia (Malaysia) Sdn Bhd as evident in a report; Section 3- High Conservation Values and Appendix 7: Biodiversity Report; Social & Environmental Impact Assessment Including Preliminary Management Review dated 13th July 2011.</p>	Complied							

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5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	Complied
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	Complied
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	Complied
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	Complied
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		

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<p>5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>The documentation and identification of all the waste products (Doc: F/007-06/2016) based on area, major wastes identified, environmental risk, risk management, handling method and disposal which was reviewed on 22/12/2016.</p> <p>Sighted Guidelines on Scheduled wastes labelling, storage and documentation (F/014-04/2017 dated 07/01/2017). Inventory of the schedule waste for Asia POM which was submitted online dated: 12/09/2017; File: ASSH/SDK (B)31/152/000/054 was available.</p> <p>Inventory of the schedule waste for Hwa Li Estate Div.3 which was submitted online dated: 10/09/2017; Consignment no: 20170910009OTR8K was available.</p> <p>Domestic waste – landfill area located at PM97/Blok A6. Inventory of the schedule waste for Asia Oil Palm Estate Div.2 which was submitted online dated: 11/09/2017; File: ASSH/SDK(B)95/130/100/256 was available.</p> <p>Waste types such as domestic, schedule waste, rubber material, scrap, mill by products, emissions, liquid waste, office and medical waste.</p> <p>Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p> <p>The estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p>	<p>Complied</p>
<p>5.3.2</p> <p>All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>For estates, the empty pesticides container were collected in scheduled waste store after being triple rinsing and punctured at the bottom of the container. This container will be sent to Tzu Chi environmental protection activities as the recycle items for charity. Disposal record dated 14/07/2017 sighted during onsite audit in Hwa Li Estate Div.3.</p> <p>For Asia Oil Palm Estate Div.2, empty chemical containers (plastic) are collected by an approved DOE contractor, Newgates Industries Borneo Sdn Bhd. Sighted Receipt dated 04/11/2017.</p> <p>Stores for scheduled wastes were inspected at audited sites in both estates & mill and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p>	<p>Complied</p>

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<p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>Guidelines on Waste and Waste Products Identification and Disposal Plan for Estates and Mills which has incorporated waste type and source, action, frequency, records and responsibility. The plan was review on 22/12/2016.</p> <p>Scheduled waste is managed well with designated storage area at the mill and each of the estates not to less than 180 days in accordance with the requirements of the Environmental Quality Act 1974 (Scheduled Wastes), Regulations, 2005. Disposal was through licensed collector. The mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p> <p>Scheduled wastes at the Asia POM have been disposed through licensed contractor Wawasan Oil Recycle Sdn Bhd on 15/08/2017 (i.e.: Consignment note: 0263 dated 15/08/2017).</p> <p>Scheduled wastes at the Hwa Li Estate Div.3 have been disposed through licensed contractor Legenda Bumimas Sdn Bhd on 05/09/2017 (i.e.: Consignment note: A023032 dated 05/09/2017).</p> <p>Scheduled wastes at the Asia Oil Palm Estate Div.2 have been disposed through licensed contractor Legenda Bumimas Sdn Bhd on 08/09/2017 (i.e.: Consignment note: A023047 dated 06/09/2017).</p> <p>Inventory record was being maintained adequately. Agrochemical containers are triple rinsed and punctured to avoid any misuse. Latest review on type of waste generated and its handling management plan was done on January 2016.</p> <p><u>Asia POM</u></p> <ol style="list-style-type: none"> 1. The oil trap at the workshop was not maintained. During the mill visit, found traces of oil already escaped out in to the monsoon drain. 2. There was no oil trap for the drain surrounding the diesel storage tank. <p>This indicator was escalated into major nonconformity since minor nonconformity has been raised in previous year audit on similar issue.</p>	<p>Major nonconformance</p>
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		

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<p>5.4.1</p> <p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy.</p> <p>Data is being compiled for comparison and control for future improvement.</p> <p>For Asia POM, the biomass/ MT CPO</p> <ul style="list-style-type: none"> a. Jul 2017 – Sep 2017 (0.91 MT/CPO) b. Apr 2017 – Jun 2017 (0.96 MT/CPO) c. Jan 2017 – Mar 2017 (0.97 MT/CPO) <p>For diesel usage:</p> <ul style="list-style-type: none"> a. Jul 2017 – 9.77 litre/MT CPO b. Aug 2017 – 12.31 litre/MT CPO c. Sep 2017 – 7.95 litre/MT CPO <p>Asia POM management action plan for improving of fossil to:</p> <ul style="list-style-type: none"> a. Optimise use of fibre and shell for generation b. Using biogas for saving 50% of diesel saving c. Biogas point to energy to reduce GHG effect d. Proper planning on work to reduce diesel <p>In Hwa Li Estate Div.3, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends.</p> <p>For diesel usage:</p> <ul style="list-style-type: none"> a. Jul 2017- 8.04 litre/ MT FFB b. Aug 2017- 8.89 litre/ MT FFB c. Sep 2017- 7.30 litre/MT FFB <p>Similar record sighted in Asia Oil Palm Estate Div.2. The record as below:</p> <p>For diesel usage:</p> <ul style="list-style-type: none"> a. Aug 2017- 7.09 litre/ MT FFB b. Sep 2017- 5.13 litre/ MT FFB c. Oct 2017- 8.72 litre/MT FFB 	<p>Complied</p>
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<p>5.5.1</p> <p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>Zero burning policy is in practice in the group as it clearly stated in the Doc ref no A016-02/2015. Guideline on group's long term replanting planning (A/016-04/2017 dated 05/07/2017).</p> <p>No evidence of open burning was observed during onsite visit to the line site as well as the areas surrounding the office.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	No use of fire for land preparation during replanting. Complied
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Based on the assessment done by Asia POM of all polluting activities as of the Environment Aspect and Impact assessment, identified source was boiler chimney. Current monitoring was through online boiler smoke density and alarm and quarterly boiler stack monitoring of dust particulate. Complied
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH4) emission through POME treatment. Other less significant GHG emissions identified including COx, SOx and NOx from various sources including fossil fuel, chemical and fertilizer consumptions. Plans to reduce GHG emissions implemented including installation of methane capture facilities at mill POME treatment pond and monitoring program. Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Monitoring of the GHG quantity was done through RSPO approved calculator Palm GHG. Annual quantification of all GHG sources was input into the calculator. These calculations were done in Head Office level where GHG calculations were done as per certification unit basics. Complied
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.		
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, 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 continual improvement.		

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Criterion / Indicator	Assessment Findings	Compliance
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	<p>Asia Palm Oil Mill Social and Environmental Impact Assessment including a Preliminary Management Review was conducted by Wild Asia on 4-12/4/2011 with documented report dated 13/7/2011. The assessment conducted was involved site visits, document reviewed and interviewed with the relevant stakeholders such as workers, suppliers, villagers, government authorities and etc. An internal reviewed SIA was conducted on 12/4/2015 by the mill. Next review schedule in year 2018.</p> <p>Hwa Li Estate Div.3 & Asia Estate Division 2: Social improvement plan 2017/2018 available, and review conducted on 19/08/2017 by management on annual basis.</p>	Complied
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The assessment was conducted with the participation of relevant stakeholders such as internal and external stakeholders. The approach of the assessment was reported in the SEIA report dated 13/7/2011.	Complied
6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	<p>Asia Production Unit has developed a generic 5 years social improvement plan which reviewed on 19/9/2016. The improvement plan has incorporated with the aspect and impacts identified, action done, comment and the person to be responsible on the particular aspect and impact. The plan did included the frequency of the action to be taken. Evidence of action taken was documented with photos and verified during site visit and document review.</p> <p>Hwa Li Estate Div.3 along with Asia Oil Palm Estate Div.1 has reviewed the plan on 19/8/2017 through meeting among management.</p> <p>Asia Oil Palm Mill & Estate Div.2: List of stake holder updated in January 06th, 2017, stake holder meeting on 10/10/2017 discussing several issues regarding.</p>	Complied
6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The 5 years Social Improvement Plan was reviewed by yearly and the last review was conducted on 19/8/2017 through meeting among management. No change should be made to current practice.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	There is no scheme smallholder involved in the certification unit.	Not applicable
<p>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.</p>		

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Criterion / Indicator	Assessment Findings	Compliance
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	JC Chang Group has established SOP on Mechanism for Communication and Consultation with Doc. Ref. No. E/004/07-2015 dated 8/9/2015. There are three methods of communication such as below: a. Consultative with employees and others stakeholders b. Gender group (female) consultation c. Free prior informed consent Mechanisms of the communication such as Joint Consultative Committee (JCC), Complaints and Grievance Procedure and suggestion box outside the office.	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	The Technical Assistant and Administration Officer were appointed as responsible person to handle complaints and requests by the stakeholders. Official appointment letters dated 1/10/2016 and 5/3/2016 were sighted. The notice of appointed persons was displayed at the notice board outside the mill office still valid. Estate Managers appointed as the management official responsible for the communication and consultation whereas Deputy Managers were appointed as alternate management official for those issues in estates.	Complied
6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	<u>Asia Palm Oil Mill</u> List of stakeholder : Government, NGO, supplier, last updated on 27.10.2017, the last multi stakeholder meeting conducted on 01.11.2017 attended by 14 stakeholder, and minutes of meeting available. Hwa Li Estate Div.3: List of stake holder updated in January 2017, stake holder meeting on 25.08 2017 discussing several issues regarding social, elephant, boundaries, complain and grievances, and conservation awareness. Asia Oil Palm Estate Div.2: List of stake holder updated in January 06 th , 2017, stake holder meeting on 10.10.2017 discussing several issues regarding social, elephant, boundaries, complain and grievances, and conservation awareness.	Complied
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.		
6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	JC Chang Group has developed a SOP on Mechanism for Complaints and Grievances with Doc. Ref. No. E/001-06/2017 dated 06/01/2017. The procedure has documented what type of matters that could and could not be consider as grievances, general requirements, and procedures of complaint lodged by the affected person with timeframe to handle the issues which divided into four levels, records of grievance, corrective actions and etc. no significant issue during the last one year in POM and Estates. Based on interview with stake holder no significant issue during the last one year in POM and Estates.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –	Asia POM and the estates have implemented Complaints and Grievances form and the management will transferred the complaint into the logbook. No any pending issue were found. The management has taken action to resolve all the complaints and requests from the stakeholders.	Complied
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	JC Chang Group has developed a SOP for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation with Doc. Ref. No. E/002-03/2015 dated 8/9/2015. The procedure has detailing the procedure on how to identify the legal and customary rights, procedure on calculating and distributing fair compensation as well as documentation of the outcome of compensation. The procedure still valid and implemented	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP as per criterion 6.4.1.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.1 Documentation of pay and conditions shall be available. - Major compliance -</p>	<p><u>Asia Palm Oil Mill</u></p> <p>All the sampled workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 920/ month or RM 35.50/ day, and Asia POM give RM 923/month as well. Based on interview with loading ramp workers and WTP worker and worker payslip sample.</p> <p>Hwa Li Estate Div.3</p> <p>Sample taken of crèche ayah workers, she take salary for October 2017 get amount RM 1,211.70 for 28 day working.</p> <p>Asia Oil Palm Estate Div.2: Perjanjian Pekerjaan Bukan Warganegara for foreign worker Aswar Baharuddin (Pasport Number B1418520), in term and condition available an fair, daily rate payment available.</p>	<p>Complied</p>
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -</p>	<p><u>Asia Palm Oil Mill</u></p> <p>Employment contract are available in language that understood by workers. The contract has detailing the payments and employment conditions such as period of , working hour, medical assistance, housing, holiday and annual leave, period of notice and etc. The contract was signed by the workers and sampled contracts as below:</p> <p>Hwa Li Estate Div.3 and Asia Oil Palm Estate Div.2</p> <p>Sample Employment contract taken are available in language that understood by workers. The contract has detailing the payments and employment conditions such as period of , working hour, medical assistance, housing, holiday and annual leave, period of notice and etc. The contract was signed by the workers and sampled contracts as below:</p> <ul style="list-style-type: none"> - Perjanjian Pekerjaan Bukan Warganegara for foreign worker Aswar Baharuddin (Pasport Number B1418520), in term and condition available an fair, daily rate payment available. 	<p>Complied</p>
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –</p>	<p>The workers were provided with housing, free water and electricity supply, medical and education assistance such as HUMANA. The workers were provided with two water tanks where one tank was contained treated water and another tank to harvest rain water. Grass cutting and fogging was conducted at the linesite. Hospital Assistant has conducted linesite inspection on weekly basis and the records were sighted. Humana school available for foreign’s workers children.</p> <p>Based on visit to housing facilities and interview with workers, they have enough water and electricity, tidy housing environment, good drainage, and quick response when any repairing needed.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance	
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Asia Palm Oil Mill, Hwa Li Estate Div.3 and Asia Estate.</p> <p>There is grocery (kedai runcit) in every estate and workers freely to buy and report to management if they found the price unfair. For example when workers complaint regarding expensive phonecell credit, the <u>Estate manager</u> has told sundry shop not to sell goods in too high price such as phone credit RM10, sold on RM11.5, and the sundry shop owner agree to decrease the price and implemented.</p>	Complied
<p>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p>	<p>JC Chang Group has established Social and Human Rights Policy dated 1/9/2016 signed by the Mill Director for the mill and by Plantation Director for the estates. The policy has a statement where the management is respect the right of employees to join any association freely. The policy has been briefed to the employees on 4/10/2016. Attendant list was sighted. The policy was displayed at the notice board outside the office.</p>	Complied
6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance -</p>	<p>Joint Consultative Committee (JCC) was established to discuss issues related to workers. The committee was formed by different nationality such as Indonesian, Philippines and local. All the workers' representatives were elected democratically by all the workers themselves. The last meeting was conducted 22/8/2017 for mill, 14.08.2017 for Hwa Li Estate Div.3 and 18/08/2017 for Asia Oil Palm Estate Div.2. Meeting minutes is sighted and actions have been taken to resolve the issues raised by the workers.</p>	Complied
<p>Criterion 6.7: Children are not employed or exploited.</p>			
6.7.1	<p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance -</p>	<p>JC Chang Group has established Social and Human Rights Policy dated 1/9/2016 signed by the Mill Director for the mill and by Plantation Director for the estates. The policy has a statement where the management will not employed minor who is under 18 years old. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees on 4/10/2016. Attendant list was sighted. Document reviewed of the workers' list found that the management did not employ workers less than 18 years old.</p>	Complied
<p>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.</p>			
6.8.1	<p>A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>- Major compliance -</p>	<p>JC Chang Group has established Equal Opportunities Policy dated 1/7/2012 signed by the Mill Director for the mill and by Plantation Director for the estates. All the employees with calibre will be given equal opportunities to participate in relevant development programmes. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees during the induction training prior to work and during the muster call.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	The management is committed to ensure that the workplace is free from discrimination or any forms of discriminatory harassment. They treated all the employees equally irrespective of sex, marital status, age, race, national origin, religion and political beliefs. The management has recruited female and male workers.	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	The management recruited the employees based on skills, experiences and attitude of the employees is appropriate to the positions offered. The management will provided development programme to those who are competent and capable without any discrimination or prejudice.	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	JC Chang Group has established Sexual Harassment Policy dated 1/7/2012 signed by the Mill Director for the mill and by Plantation Director for the estates. The policy is to promote a workplace that is free of sexual harassment. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees during the induction training prior to work and during the muster call.	Complied
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	JC Chang Group has established Policy of Reproductive Rights with Doc. Ref. No. E/015-02/2015 dated 5/11/2015. The management respects the rights of reproductive as part of human rights. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees during the induction training prior to work and during the muster call.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	The managements have established a Gender Committee which consists of employer's representatives, employee's representatives and dependent's representatives. Meeting was conducted on 10/10/2017 for mill and Asia Oil Palm Estate Div.2 and 19/8/2017 for Hwa Li Estate Div.3. The meeting was conducted at least twice per year. Meeting minutes and attendant lists were sighted. Issues raised during the meeting were resolved and no pending issues. There is no any sexual harassment case reported through interview and document review.	Complied
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	The mill has displayed the FFB pricing of daily at the weighbridge area. The pricing was displayed in front of the weighbridge counter. MPOB Daily FFB Reference Price Summary by Region (RM/Ton) November 2017 downloaded from MPOB website also kept by the mill. Price for Sabah (Sandakan, Lahad Datu dan Tawau) on 3/11/2017 are RM621/mt (FFB Grade A 22% OER), RM596 (Grade B 21% OER) and RM572 (Grade C 20% OER).	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	<p>Pricing mechanism was documented under Second Schedule where the formula for FFB price determination was explained to the FFB supplier during they signed on the agreement. The mechanism has included current month average CPO price with the discount price for Sabah CPO price, MPOB price, average OER of the mill and etc.</p> <p>There is no smallholder dealing with the Asia palm oil mill. Mill only purchase outside FFB from trader where the trader have no contractual agreement with the mill and have freedom to sell their fruits.</p> <p>The prices of FFB paid to the estates is in accordance with the prices set by the Malaysian Palm Oil Board (MPOB) and the records of past and present prices of FFB, CPO and PK are kept by the Marketing Department.</p> <p>At the third schedule of the agreement, it explaining the price formulation based on the MPOB monthly average traded price of CPO for Peninsular Malaysia (Delivered).</p>	Complied
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	<p>A total of 8 out-growers signed the FFB supply contractual agreement with Asia POM. Following agreement were sampled:</p> <p>a. FFB Sales and Purchase Agreement; Benar Waris Sdn. Bhd.; Dated: 2/2/2017</p> <p>FFB Sales and Purchase Agreement; Sentrabayu Industries Sdn. Bhd; Dated: 2/2/2017; FFB receiving slip weighbridge ticket # FFB17011295W; Dated: 30/6/2017</p>	Complied
6.10.4 Agreed payments shall be made in a timely manner. - Minor compliance -	<p>The contract agreement has stated the full payment shall be made by the mill for the whole month's deliveries not later than 10 working days after official announcement of MPOB CPO and PK prices. Through interviewed with the FFB suppliers confirmed that no any late payment or grievance related to payment reported. Sighted for Sep 2017, Payment Voucher PV # PV/1710-42; FFB Payment to Trade Creditors (Sentrabayu Industries Sdn. Bhd.) dated 13/10/2017.</p>	Complied
<p>Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.</p>		
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	<p><u>Asia Palm Oil Mill</u></p> <p>The managements have made contribution to the society such as donation for UPSR 2017 Programme, gave away of chickens to all the workers on Hari Raya Haji, Labour day activities, provided transport to send the children to Humana School and Tadika Graduation and CSR program summary to public 2017 amount RM 23K, to local community, including humana school.</p> <p>Hwa Li division 2 & Asia Oil Palm Estate Div.2: Contribution to local development represent by CSR program including donation and education for Humana NGO to support education for foreign workers.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	There is no scheme smallholder involved in the certification unit.	Not applicable
Criterion 6.12: No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	JC Chang Group has established Social and Human Rights Policy dated 1/9/2016 signed by the Mill Director for the mill and by Plantation Director for the estates. The policy has a statement where the management will not practice forced or trafficked labour. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees on 4/10/2016. Attendant list was sighted. The workers have signed on a consent letter to tender the passport voluntarily to the management for safety issue.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	No contract of substitution is sighted.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Social and Human Rights Policy is implemented. All the workers were treated equally and no discrimination occurred. Asia Production Unit does not employed temporary workers.	Complied
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	JC Chang Group has established Social and Human Rights Policy dated 1/9/2016 signed by the Mill Director for the mill and by Plantation Director for the estates. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees on 4/10/2016. Attendant list was sighted.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	There is a HUMANA school in the estates' compound. Parents do not need to pay any school fee. The estate donated HUMANA Society on monthly basis. Besides, the estate has provided and maintained the building.	Complied
Principle 7: Responsible development of new plantings Asia Palm Oil Mill and supply base did not carry out any new plantings after November 2005. Therefore, the requirement of Principle 7 is not applicable during the annual surveillance. It was verified through the land statement, land title and planting history.			
Principle 8: Commitment to continual improvement in key areas of activity			
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>8.1.1</p> <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Action plan towards continual improvements sighted such as following:</p> <ul style="list-style-type: none"> - Mill boiler chimney upgrade projects - Continuous maintenance of workers housing facilities - Continuous support of Humana school programs 	<p>Complied</p>

Appendix B: Approved Time Bound Plan

The Takon Production Unit is the last Unit to be certified under Carotino/ JC Chang Group. The Takon Palm Oil Mill and its FFB supplying plantations under the JC Chang group was seeking to be certified by April 2016. The Takon Production Unit comprises of 1 palm oil mill and 4 oil palm plantations located in the State of Sabah, Malaysia. However the following are some of the challenges raised for a deferment:

Reasons / Justification for deferring RSPO certification plan for Takon Production Unit.

1. The original proposed plan to certify Takon Production Unit in Sabah was somewhat over ambitious as it was based on the achievement of other Production Units where some basic preparatory works were started 2 to 3 years ahead of its pre and main assessments. The CB commented that the plan was challenging connotes that somewhat over-zealous on the plan proposed.
2. The overly long delay of more than a year by CB and RSPO Board to vet and re-vet Production Units' certification report and limited premium paid / uptake on certified products had created disappointment and a sense of uncertainty on the RSPO certification process and direction which somehow had affected the zest and drive to pursue vigorously on the preparatory works for Takon Production Unit in Sabah.
3. As Takon Production Units in Sabah have out-grower supply base, their reluctance and unpreparedness to embrace RSPO certification voluntarily has somewhat setback their pace to initiate the certification process as previously planned. More than 50% of FFB received are from outsider farm.
4. The pace of development for RSPO certification in Takon Production Unit was generally slowed by lack of personnel with the right knowledge, exposure and experience in the operating unit to stimulate RSPO enthusiasm and to spur the necessary trainings and other preparatory works.
5. By the process, plantation groups which have become member of RSPO should plan for certification soonest so as to demonstrate their sincerity for being a member and not to hitch a ride on the RSPO name. Hitherto, many large Malaysia plantation groups which have become member have yet to get any of their production units certified. As such, in all fairness and in the spirit of RSPO, it is pertinent to ponder whether this is more inappropriate and un-abiding that the deferment of the stated plans to certify Takon Production Unit in Sabah.

No.	Production Units	Location	Status	TBP	Remark
1	Asia Palm Oil Mill		Certified	Certified on 31/01/2013 Recertification completed in 2018.	
	i) Melewar Estate 2	Lahad Datu, Sabah			
	ii) Hwa Li Estate Div.3	Lahad Datu, Sabah			
	iii) Asia Oil Palm Estate Div.2	Lahad Datu, Sabah			
2	Melewar Palm Oil Mill		Certified	Certified on 7/2/2014	
	i) Gerola Estate	Lahad Datu, Sabah			
	ii) Pahang Oil Palm Estate 2	Lahad Datu, Sabah			
	iii) Pahang Oil Palm Estate 3	Lahad Datu, Sabah			

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	iv) Melewar Estate 1	Lahad Datu, Sabah			
	v) Tye Yang Estate	Lahad Datu, Sabah			
3	Carotino Palm Oil Mill		Certified	Certified on 27/11/2010. Recertification completed in 2015	
	i) Maran Estate	Kuantan, Pahang			
	ii) Asia Oil Palm Estate	Kuantan, Pahang			
	iii) Hwa Li Estate Div.3 1	Segamat, Johor			
	iv) Hwa Li Estate Div.3 2	Segamat, Johor			
	v) Pahang Oil Palm Estate 1	Kuantan, Pahang			
4	Takon Palm Oil Mill		Pending main assessment	2017 (Exact period will depend on RSPO approval on the HCV disclosure)	The last remaining production unit is pending for RSPO Main Assessment which is supposed to be completed in 2016. However, the assessment was deferred due to the withdrawal of SGS as certification body. Currently, the delay of Main Assessment is due to pending of approval on HCV Disclosure by RSPO. Once approved and allowed for new certification, Carotino JC Chang will be able to certified the last production unit. The last communication between JC Chang and RSPO was done on 3/2/2017 where LUCA analysis was still under review.
	i) Pelita Estate	Lahad Datu, Sabah			
	ii) Muis Melewar Plantation 1	Tawau, Sabah			
	iii) Muis Melewar Plantation 2	Lahad Datu, Sabah			
	iv) Takon Estate	Lahad Datu, Sabah			

Appendix C: Certification Unit RSPO Certificate Details

Carotino/JC Chang Group
 Asia Palm Oil Mill
 (Asia Production Unit)
 KM 45, Off Jalan Lahad Datu – Sandakan
 91100 Lahad Datu
 Sabah, Malaysia
 RSPO membership number: 2-0029-06-000-00

BSI RSPO Certificate No. : RSPO 651278
 Date of Initial Certificate Issued: 31/01/2013
 Date of Expiry: 30/01/2023
 Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module E
 – CPO Mills: Mass Balance)

Asia Palm Oil Mill and Supply Base						
Location Address	KM 45, Off Jalan Lahad Datu 91100 Sandakan, Sabah, Malaysia					
GPS Location	118° 12' 24.54" E ; 5° 17' 34.01" N					
CPO Tonnage Total	31,937.31 mt					
PK Tonnage Total	8,644.58 mt					
CPO Claimed for Certification*	31,937.31 mt					
PK Claimed for Certification *	8,644.58 mt					
Own estates FFB Tonnage	156,344.42 mt					
Scheme Smallholder FFB Tonnage	-					
Estates	Production Area		HCV (ha)	Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)				
Asia Oil Palm Estate Div.2	1,990.76	724.46	81.63	227.15	3,024.00	47,337.01
Melewar Estate 2	1,770.41	-	91.92	161.07	2,023.40	22,224.89
Hwa Li Estate Div.3	3,851.56	-	120.61	305.43	4,277.60	86,782.52
TOTAL	7,612.73	724.46	294.16	693.65	9,325.00	156,344.42

Appendix D: Assessment Plan

Date	Time	Subjects	Hafri	Aswan	Daniel
Monday 6/11/2017	10.25 – 13.10	MAS flight from Kuala Lumpur to Sandakan	✓	✓	✓
	14.30 – 16.30	Stakeholder meeting with government agency (DOE & DOSH Sandakan)			
Tuesday 7/11/2017 Asia Palm Oil Mill	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). 	✓	✓	✓
	09.00 – 12.00	Asia Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	✓	✓	✓
	12.00 – 13.00	Lunch	✓	✓	✓
	13.00 – 16.30	Asia Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	✓	✓	✓
	16.30-17.00	Interim Closing briefing.	✓	✓	✓
	Wednesday 8/11/2017 Asia Oil Palm Estate Div.2	08.30 – 12.00	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.	✓	✓
	09.00 – 12.00	Meeting with stakeholders (local government, village rep, smallholders, Workers Leader, contractor etc.)	-	✓	-
	12.00 – 13.00	Lunch	✓	✓	✓
	13.00 – 16.30	Asia Oil Palm Estate Div.2 Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	✓	✓	✓
	16.30-17.00	Interim Closing Briefing	✓	✓	✓

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Date	Time	Subjects	Hafri	Aswan	Daniel
Thursday 9/11/2017 Hwa Li Estate Div.3	8.30 – 12.00	Hwa Li Estate Div.3 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.	✓	✓	✓
	12.00 – 13.00	Lunch	✓	✓	✓
	13.00 – 16.00	Hwa Li Estate Div.3 Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	✓	✓	✓
	16.00-17.00	Verify any outstanding issues and preparation for Closing Meeting	✓	✓	✓
	17.00-18.00	Closing Meeting	✓	✓	✓
Friday 10/11/2017	8.30 – 10.30	Stakeholder meeting with government agency (JTK Kota Kinabatangan)	✓	✓	✓
	13.55 – 16.35	MAS flight from Sandakan to Kuala Lumpur			

Appendix E: Stakeholders Contacted

Internal Stakeholders

Management team Staff Workers Hospital Assisstant Creche Attendant HUMANA Teacher	FFB Suppliers Sundry Shop Workers Housewife
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External Stakeholders

Government Departments Labour Department, Kinabatangan Department of Environmental, Sandakan Department of Occupational Safety and Health, Sandakan	NGOs and others IOI Ladang Morisem
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Appendix F: CPO Mill Supply Chain Assessment Report (Module E: Mass Balance)

Requirements	Compliance
E.1 Definition	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>Asia Palm Oil Mill (POM) receives and process both 80% certified and 20% non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products.</p>
E.2 Explanation	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by Asia POM is recorded in this public summary report. Based on the MPOB license (License # 500143104000; Validity period 1/12/2016 – 30/11/2017), processing capability allowed was 330,000 mt per annum. Sighted total FFB received and processed (certified & non-certified) for the period from Nov 2016 to Oct 2017 was 180,498.61 mt (160,243.55 mt own + 20.255.06 mt OCP) as per Asia Palm Oil Mill FFB Receipt Summary LintraMax Mill Director computer system.</p>
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim). Their member ID: RSPO_PO1000000524. CPO & PK shipping announcement were verified as per following sample:</p> <ol style="list-style-type: none"> Shipping Announcement Transaction ID # TR-e05a9d92-94d8; Buyer: Lahad Datu Edible Oils Sdn Bhd; Commodity: CPO RSPO MB; Contract # AOP/A0334/06/17; Volume: 2400mt; Dated: 30/5/2017; Delivery period: June 2017; Sampled Weighbridge ticket # CPORS17000444W; DO # 35833; Date: 30/6/2017; Lorry # ST599F/ST8711J Shipping Announcement Transaction ID # TR-8f351c7c-3e62; Buyer: Lahad Datu Edible Oils Sdn Bhd; Commodity: PK RSPO MB; Contract # AOP/2358/09/17; Volume: 350mt; Dated: 28/8/2017; Delivery period: September 2017; Sampled Weighbridge ticket # PKRS17000210W; DO # PK 9445; Date: 17/10/2017; Lorry # ST9417F/ST871K
E.3 Documented procedures	
<p>E.3.1 The site 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:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; 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 site procedures for the implementation of this standard. 	<p>The Palm Oil Mill has procedures for the incoming FFB, processing and outgoing Crude Palm Oil and Palm Kernel for the traceability with Mass Balance model covering certified and non-certified FFB received. Following is the procedures:</p> <ol style="list-style-type: none"> Mechanism for handling non-conforming FFB (doc ref: SC/MEC-03/2014-AOM) Mass Balance Methodology (doc ref: SC/MBC-03/2014-AOM; dated 21st September 2014) Asia Palm Oil Mill SOP - Critical Control Point 1: Reception Station (doc. Ref.: CCP/01—04/2015-AOM; Dated: 21/6/2015) <p>The mill manager, assistant manager and admin officer have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. Sighted letter of appointment as following:</p>

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	<ul style="list-style-type: none"> - Letter of appointment as Sustainability Operation Admin Officer; Dated: 18/10/2017 (Mohd. Jaini Masri) - Letter of Appointment as Sustainability Operation Weighbridge Clerk; Dated: 12/1/2013 (Rusni Kumin)
E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Asia Palm Oil mill has documented procedures (as per above in E 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The system available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.
E.4 Purchasing and goods in	
E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.
E.4.2 The site shall inform the CB immediately if there is a projected overproduction.	The mill aware of the procedure to inform the CB immediately if there is a projected overproduction.
E.5 Record keeping	
<p>E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>(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.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Computerized system in place. Records verified by internal and external audit. Following records were verified:</p> <ul style="list-style-type: none"> a. Summary of FFB Receipt Sustainability b. Summary of CPO Sustainability Contract c. Summary of CPO Delivery Sustainability d. Summary of CPO Produced Sustainability e. Summary of CPO Quarterly Mass Balance f. Monthly Stock Opening Balance g. Summary of PK Sustainability Contract h. Summary of PK Delivery Sustainability i. Summary of PK Produced Sustainability j. Summary of PK Quarterly Mass Balance k. Weighbridge ticket (i.e.: W/B ticket: FFB16019014W; FFB16018801W) <p>Computerized system in place with the delivery deducted accordingly. It clearly recorded in the mass balance table for FFB received, FFB processed, CPO & PK production, CPO & PK Delivery (ISCC & RSPO) and CPO & PK stock.</p> <p>The Mill aware that only positive stock can be delivered. No short selling.</p>
E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement	No outsourcing activities.

Actual Tonnage Certified Palm Production- 01 Nov 2016 – 31 Oct 2017 (ASA4)

MILL	CAPACITY	CPO	PK
Asia Palm Oil Mill	80 mt/hr	30,174.16	7,394.62

Actual Sales of Certified Palm Products - 01 Nov 2016 – 31 Oct 2017 (ASA4)

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	CPO (Certified)	PK (Certified)	Remarks
Asia Palm Oil Mill	18,083.90	2,151.98	As per PalmTrace record

Actual Tonnages Sales of Certified Palm Products (Under Other Schemes) – 1 Nov 2016 – 31 Oct 2017

Mill	Certified CPO Sales	Certified PK Sales	Other Scheme(s)
Asia Palm Oil Mill	9,968.41	-	ISCC

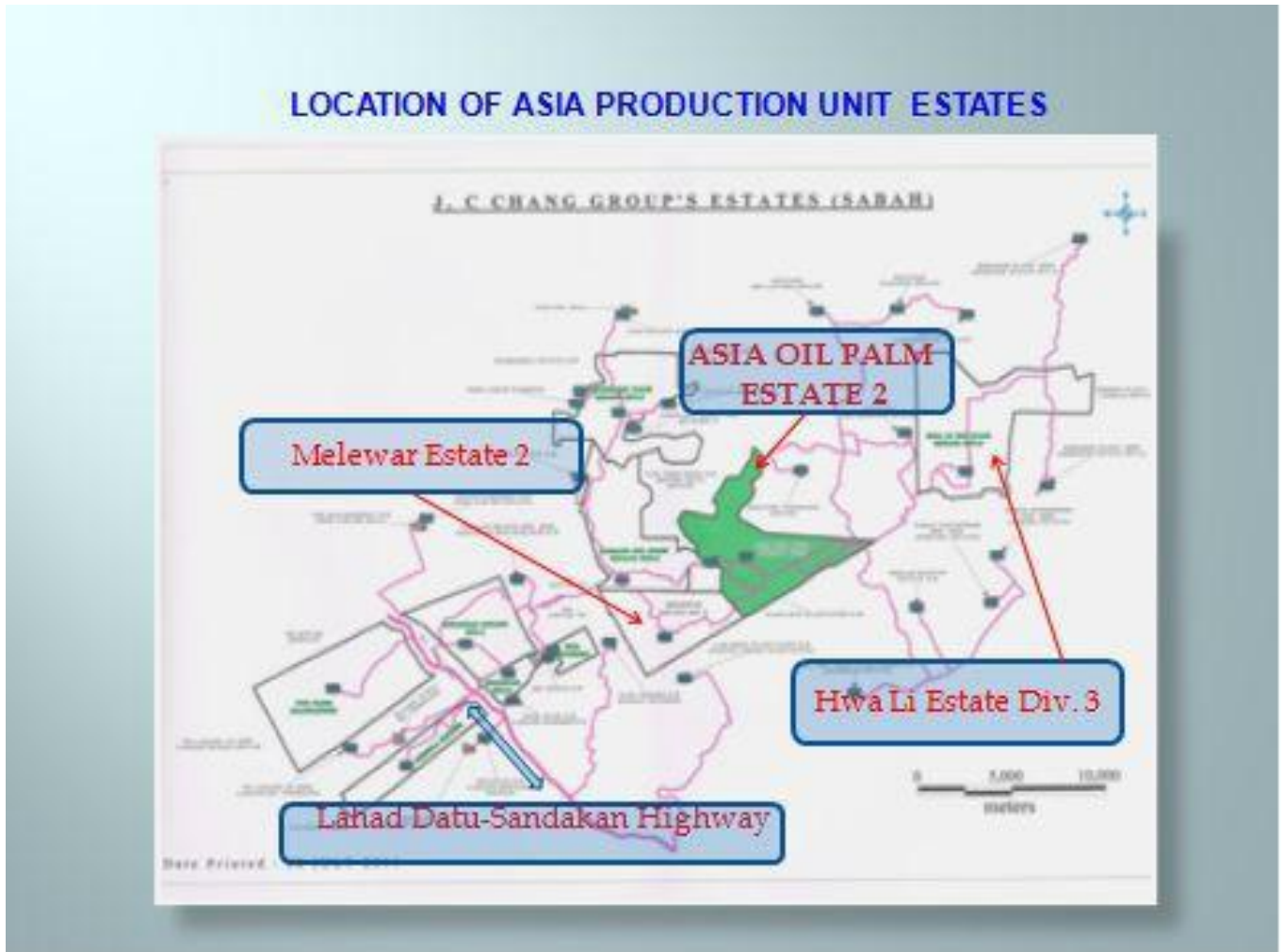
Actual Tonnages Sales of Conventional Palm Products - 1 Nov 2016 – 31 Oct 2017

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Asia Palm Oil Mill	2,121.85	5,242.64	NA

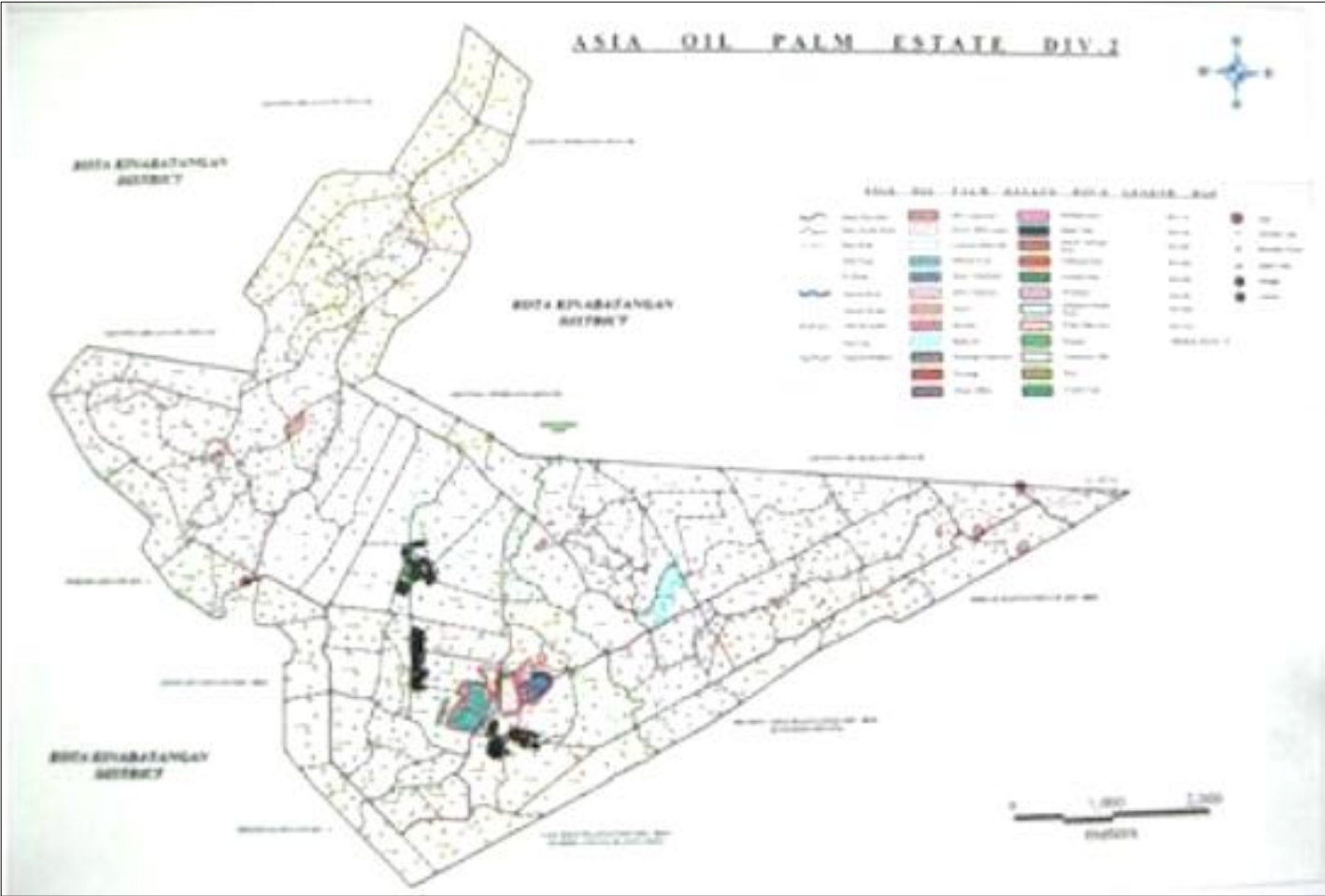
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Month	Own Supply Base (Estates)			Certified Supply Base (from adjacent certified supply base) (mt)		Total FFB/Month (mt)
	Asia Oil Palm Estate Div.2	Melewar Estate Div.2	Hwa Li Estate Div.3	Pahang Oil Palm Estate Div.2	Pahang Oil Palm Estate Div.3	
Nov 2016	4,251.15	2,585.17	7,675.98	-	-	14,512.30
Dec 2015	3,931.17	2,893.99	7,360.15	-	-	14,185.31
Jan 2017	3,672.92	2,180.57	6,609.92	-	-	12,463.41
Feb 2017	3,046.51	1,935.46	4,866.02	749.17	1,092.22	11,689.38
Mar 2017	3,819.47	2,906.65	5,531.46	-	-	12,257.58
Apr 2017	3,807.94	3,203.37	5,837.50	-	-	12,848.81
May 2017	4,858.06	4,056.63	6,558.82	-	-	15,473.51
Jun 2017	5,004.23	3,821.86	6,746.00	-	-	15,572.09
Jul 2017	4,763.54	3,932.15	6,733.85	-	-	15,429.54
Aug 2017	3,442.77	2,594.70	5,818.54	-	-	11,856.01
Sep 2017	2,784.86	2,619.09	6,514.55	-	-	11,918.50
Oct 2017	3,943.87	2,975.42	6,386.62	-	-	13,305.91
Total	47,326.49	35,705.06	76,639.41	749.17	1,092.22	161,512.35

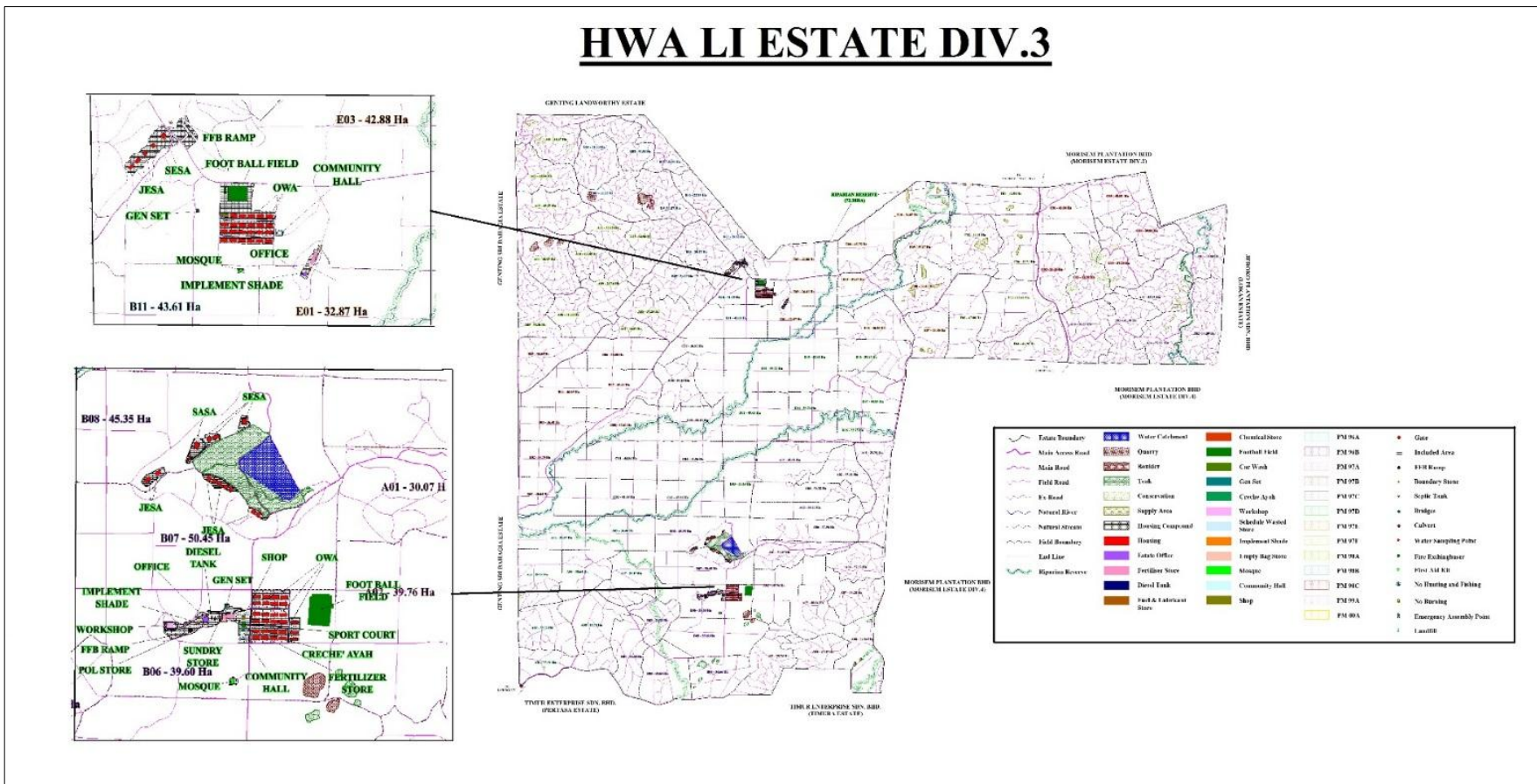
Appendix G : Location Map of Asia POM and Supply Bases



Appendix H: Asia Oil Palm Estate Div.2 Field Map



Appendix I: Hwa Li Estate Div.3 Field Map



Appendix J: GHG Reporting Executive Summary

The GHG emissions that were produced in 2016 for Asia Palm Oil Mill and supply base was calculated using the GHGpalm Calculator version 3.0. The assessment team had verified the data input in the GHGpalm Calculator against operations records. Palm GHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for estates.

The summary of the Net GHG emitted in 2016 for Asia Palm Oil Mill and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	7.25
PKO	7.25

Extraction	%
OER	18.83
KER	4.61

Production	t/yr
FFB Process	160,243.55
CPO Produced	30,174.16
PKO Produced	7,394.62

Land Use	Ha
OP Planted Area	8,337.19
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	996.81
Total	9,325.00

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	147,105.87	0.93	22,858.12	176.88	-	-	169,963.99	77.81
CO ₂ Emission from fertilizer	98,488.04	0.61	1,694.54	13.11	-	-	100,182.58	13.72
NO ₂ Emmission	83,006.67	0.52	1,499.60	11.60	-	-	84,506.27	12.12
Fuel Consumption	3,537.56	0.02	1,357.11	10.5	-	-	4,894.67	10.52
Peat Oxidation	-	-	-	-	-	-	-	-
Sink								
Crop Sequestration	-69,794.66	-0.44	-12,648.17	-97.87	-	-	- 82,442.83	-98.31
Conservation Sequestration	-1,734.25	-0.01	0	0	-	-	- 1,734.25	-0.01
Total	260,609.23	1.63	14,761.20	114.22	-	-	275,370.43	115.85

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Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	35,610.48	0.2
Fuel Consumption	1,541.94	0.01
Grid Electricity Utilisation	892.84	0
Credit		
Export to housing/grid	-101.73	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	37,943.53	0.21

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	61,854.51
PK from other source	0
Fuel Consumptions	0
Total Crusher emissions	0

Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	2
Divert to anaerobic diversion (%)	98

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

Appendix K: List of Abbreviations Used

AMESU	All Malaysia Estate Staff Union
AN	Ammoniacal Nitrogen
ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
HIRAD	Hazard Identification, Risk Analysis and Determined Control
HIRARC	Hazard Identification, Risk Analysis and Risk Control
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MAPA	Malayan Agricultural Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
NUPW	National Union of Plantation Workers
OSH	Occupational Safety & Health
O&G	Oil and Grease
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SS	Suspended Solids
TS	Total Solids
VFA	Volatile Fatty Acids