

**RSPO PRINCIPLE AND CRITERIA –
RECERTIFICATION ASSESSMENT (RC2)
Public Summary Report**

| |
|---|
| Carotino/JC Chang Group |
| Client company Address: Unit 30-01, Level 30, Menara Landmark No. 12, Jalan Ngee Heng, 80000 Johor Bahru Johor, Malaysia |
| Certification Unit: Carotino Palm Oil Mill (Carotino Production Unit) PT 116, Lot No. 3840 Mukim Ulu Lepar 26500 Kuantan Pahang, Malaysia |

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Section 1: Scope of the Certification Assessment

| 1. Company Details | | | |
|---|---|---------------------------------|--|
| RSPO Membership Number | 2-0029-06-000-00 | Membership Approval Date | 10/05/2006 |
| Parent Company Name | Carotino/JC Chang Group | | |
| Address | Unit 30-01, Level 30, Menara Landmark, No. 12, Jalan Ngee Heng 80000 Johor Bahru, Johor, Malaysia | | |
| Subsidiary (Certification Unit Name) | Carotino Palm Oil Mill (Carotino Production Unit) | | |
| Address | PT 116, Lot No. 3840, Mukim Ulu Lepar 26500 Kuantan, Pahang, Malaysia | | |
| Contact Name | Mr Seow Chee Chiang | | |
| Website | www.carotino.com | E-mail | seowcc@jcc.com.my |
| Telephone | +607 2231633 (Head Office) +607-223 1633 (Mill) | Facsimile | +607 224 1546 (Head Office) +607-223 1546 (Mill) |

| 2. Certification Information | | | |
|-------------------------------|---|------------------------------------|------------|
| Certificate Number | RSPO 649410 | Date of First Certification | 27/04/2010 |
| | | Certificate Start Date | 27/04/2020 |
| | | Certificate Expiry Date | 26/04/2025 |
| Scope of Certification | Palm Oil and Palm Kernel Production | | |
| Applicable Standards | RSPO MY-NI 2019 with Supply Chain Identity Preserved Module | | |

| 3. Other Certifications | | | |
|-----------------------------|--|-------------------------------|--------------------|
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| EU-ISCC-Cert-DE101-18450685 | ISCC EU | SCS Global Services | 28/09/2020 |
| 500450685 MSPO SCCS | MS2530-4:2013 MSPO Part 4: General Principles for Palm Oil Mills & MS2530-3:2013 MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders | DQS Certification (M) Sdn Bhd | 02/09/2024 |

| 4. Location(s) of Mill & Supply Bases | | |
|---------------------------------------|-----------------------------------|------------------------|
| Name (Mill / Supply Base) | Location [Map Reference #] | GPS Coordinates |
| | | |

| | | Latitude | Longitude |
|--------------------------|--|-----------------|-------------------|
| Carotino Palm Oil Mill | PT 116, Lot 3480, Mukim Ulu Lepar, Kuantan, Pahang. | 3° 48' 35.70" N | 102° 49' 15.6" E |
| Asia Oil Palm Estate 1 | PT 116, Lot 3840, Mukim Ulu Lepar, 26500 Kuantan, Pahang. | 3° 49' 40.30" N | 102° 47' 50.0" E |
| Hwa Li Estate 1 | Lot 51, 52, 53, 54, 55, 56, 415, 406, 513, 523, 524, 317, 318, Mukim Keratong-Rompin, Pahang. | 2° 44' 40.73" N | 103° 1' 59.412" E |
| Hwa Li Estate 2 | Lot 2389, Mukim Bera, Bera, Pahang. | 2° 50' 43.25" N | 102° 43' 29.21" E |
| Maran Estate | Lot 929, 6460, 245, 351, 957, 930, Mukim Lepar, Kuantan, Pahang | 3° 44' 31.28" N | 102° 50' 42.93" E |
| Pahang Oil Palm Estate 1 | Lot No 23604, 23605, 23600, 23601, 23602, 23603, 23606, 23607, & 23608, Mukim Ulu Lepar-Kuantan Pahang | 3° 48' 35.40" N | 102° 49' 13.86" E |

5. Description of Supply Base

| Estate | Total Planted (Mature + Immature) (ha) | HCV (ha) | Infrastructure & Other (ha) | Total Area (ha) | % of Planted |
|--------------------------|---|-----------------|--|------------------------|---------------------|
| Asia Oil Palm Estate 1 | 1,948.71 | 0 | 218.71 | 2,167.42 | 89.91% |
| Hwa Li Estate 1 | 1,929.74 | 0 | 227.66 | 2,157.40 | 89.45% |
| Hwa Li Estate 2 | 1,509.09 | 0 | 150.12 | 1,659.21 | 90.95% |
| Maran Estate | 1,786.27 | 0 | 354.55 | 2,140.82 | 83.44% |
| Pahang Oil Palm Estate 1 | 1,835.21 | 0 | 317.89 | 2,153.10 | 85.24% |
| Total | 9,009.02 | 0 | 1,268.93 | 10,277.95 | 87.65% |

Remark: Last year report was include the conservation area in the HCV which is wrongly inserted. Based on the Wild Asia report and ACOP 2018, there is no HCV in Carotino POM Certification Unit. The Conservation area has been included in infrastructure & others.

6. Plantings & Cycle

| Estate | Age (Years) | | | | | Mature** | Immature |
|--------------------------|--------------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | 26 - 30 | | |
| Asia Oil Palm Estate 1 | 0 | 137.50 | 1588.4 | 222.81 | 0 | 1948.71 | 0 |
| Hwa Li Estate 1 | 0 | 435.89 | 1336.87 | 156.98 | 0.00 | 1929.74 | 0 |
| Hwa Li Estate 2 | 540.40 | 220.00 | 0 | 0 | 748.69 | 968.69 | 540.40 |
| Maran Estate | 113.98 | 1141.84 | 530.45 | 0 | 0 | 1672.29 | 113.98 |
| Pahang Oil Palm Estate 1 | 0 | 302.94 | 1354.75 | 177.52 | 0 | 1835.21 | 0 |
| Total | 654.38 | 2238.17 | 4810.47 | 557.31 | 748.69 | 8354.64 | 654.38 |

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| 7. Certified Tonnage of FFB (Own Certified Scope) | | | | |
|--|--|--|---|---|
| Estate | Tonnage / year | | | |
| | Estimated (April 2019-March 2020) | Actual (Jan 2019-Dec 2019) | | Forecast (April 2020-March 2021) |
| | | <i>Previous license period (Jan 2019-April 2019)</i> | <i>Current license period (May 2019-Dec 2019)</i> | |
| Asia Oil Palm Estate 1 | 48,213.00 | 16,211.27 | 26,744.54 | 42,856.00 |
| Hwa Li Estate 1 | 43,335.75 | 6,899.09 | 12,142.25 | 43,548.93 |
| Hwa Li Estate 2 | 19,600.00 | 6,476.38 | 11,262.66 | 16,417.00 |
| Maran Estate | 35,947.80 | 13,186.26 | 19,671.05 | 32,144.00 |
| Pahang Oil Palm Estate 1 | 41,448.21 | 14,829.32 | 20,519.40 | 42,100.00 |
| Total | 188,544.76 | 57,602.32 | 90,339.90 | 177,065.93 |

| 8. Certified Tonnage of FFB (from other certified unit(s)) if applicable * | | | | |
|---|--|--|---|---|
| Estate | Tonnage / year | | | |
| | Estimated (April 2019-March 2020) | Actual (Jan 2019-Dec 2019) | | Forecast (April 2020-March 2021) |
| | | <i>Previous license period (Jan 2019-April 2019)</i> | <i>Current license period (May 2019-Dec 2019)</i> | |
| - | N/A | <i>Previous license period (Jan 2019-April 2019)</i> | <i>Current license period (May 2019-Dec 2019)</i> | N/A |
| - | | - | - | |
| Total | - | - | - | - |

| 9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable | | | | |
|---|--|--|---|---|
| Independent FFB Supplier | Tonnage / year | | | |
| | Estimated (April 2019-March 2020) | Actual (Jan 2019-Dec 2019) | | Forecast (April 2020-March 2021) |
| | | <i>Previous license period (Jan 2019-April 2019)</i> | <i>Current license period (May 2019-Dec 2019)</i> | |
| - | N/A | <i>Previous license period (Jan 2019-April 2019)</i> | <i>Current license period (May 2019-Dec 2019)</i> | N/A |
| - | - | - | - | - |
| Total | - | - | - | - |

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| 10. Certified Tonnage | | | | |
|--|------------------------------|---|--|-----------------------------|
| Mill Capacity: 60 MT/hr SCC Model: IP | Estimated (Apr 19-Mar 20) | Actual (Jan 19-Dec 2019) | | Forecast (Apr 20-Mar 21) |
| | FFB | FFB | | FFB |
| | 188,544.76 mt | <i>Previous license period</i> (Jan 2019-April 2019) | <i>Current license period</i> (May 2019-Dec 2019) | 177,065.93 |
| | | 57,602.32 | 90,339.90 | |
| | CPO (OER: 20.80%) | CPO (OER: 20.57%) | | CPO (OER: 20.75%) |
| | 39,217.31 mt | *31,433.68 | | 36,741.18 |
| | PK (KER: 5.05%) | PK (KER: 4.90%) | | PK (KER: 5.17%) |
| | 9,521.51 mt | *7,422.47 | | 9,154.31 mt |

Note: *Stock balance in tank on 01.01.2019 for CPO is 1,004.50 mt and PK is 170.68 mt.

| 11. Actual Sold Volume (CPO) | | | | | |
|------------------------------|----------------|-------------------------|-----|--------------|-----------|
| | RSPO Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSB | | |
| CPO (MT) | 15,785.27 | 14,584.09 | - | 493.68 | 30,863.04 |

| 12. Actual Sold Volume (PK) | | | | | |
|-----------------------------|----------------|-------------------------|-----|--------------|----------|
| | RSPO Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSB | | |
| PK (MT) | 6,136.39 | - | - | 934.31 | 7,070.70 |

| 13. Actual Group certification Claims | | |
|---------------------------------------|--------|----------------------|
| | Credit | Physical Volume (MT) |
| IS-CSPO | | |
| IS-CSPKO | | |
| IS-CSPKE | | |

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-067)
Suite 29.01 Level 29, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
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Representative: Azrul Wan Azizan (Azrul.WanAzizan@bsigroup.com)
Website: www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site recertification surveillance assessment was conducted from 07-10/01/2020. 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. 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.

The Major NC close out on-site assessment was conducted on 06/03/2020. The audit programmes are included in Section 2.3.

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 2018 (MYNI 2019) was used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 06/09/2019, through BSI website as per following link:
https://www.bsigroup.com/globalassets/localfiles/en-my/rspo/Public%20Notification/2019/public_notification_for_recertification_assessment_carotino-jc-chang-group-english.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 minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (0.8\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016). The sampling of smallholders were based on

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the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

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.

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 Section 3.5.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment/annual surveillance assessment are detailed in Section 3.4.

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.

For Initial and Re-certification assessment, the report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

| Assessment Program | | | | | |
|--------------------------------------|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Name (Mill / Supply Base) | Year 1 (Recertification 2) | Year 2 (ASA 2_1) | Year 3 (ASA 2_2) | Year 4 (ASA 2_3) | Year 5 (ASA 2_4) |
| Carotino Palm Oil Mill | √ | √ | √ | √ | √ |
| Asia Oil Palm Estate 1 | | √ | | √ | |
| Hwa Li Estate 1 | √ | | | √ | |
| Hwa Li Estate 2 | √ | | √ | | |
| Maran Estate | | √ | | | √ |
| Pahang Oil Palm Estate 1 | | | √ | | √ |

Tentative Date of Next Visit: January 13, 2021 – January 16, 2020

Total No. of Mandays: 10 mandays (including 1 day for mill – SC audit)

2.2 BSI Assessment Team:

| Team Member Name | Role <i>(Team Leader or Team member)</i> | Qualifications <i>(Short description of the team members)</i> |
|---------------------------------|--|---|
| Elzy Ovktafia Chairul | Team Leader | She graduated from Universiti Putra Malaysia in Diploma of Agriculture while Licentiate Diploma and Advanced Diploma from the Incorporated Society of Planters. She involve in audits and technical reviews works mainly for Sustainability Programme includes RSPO and MSPO for more than 3 years in more than 11 countries. She is a qualified Lead Auditor/Auditor for MSPO, RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015, ISO 14001:2015 and Social Compliance Audit by Verite. Prior to this, she was the Agronomist in R&D Department for 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research & Development with technical paper publications, Crop Forecast, Leaf & Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates. During assessment, she covers the legal issues, land use rights, stakeholder consultation, worker’s welfare and social issues. |
| Mohamed Zainal Abidin Hidhir | Team Member | Holds a Bachelor Degree in Chemical Engineering from National University of Malaysia. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, ISO 45001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and ISO 45001 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course, MSPO Awareness Training and Endorsed RSPO SCCS Lead Auditor Course. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. In this assessment, he assessed on the aspects of supply chain, legal, mill best practices, safety and health, environmental and workers and stakeholders consultation. He is fluent in both verbal/written in English. |
| Mahzan Munap | Team Member | He holds a MBA from Ohio University and B Sc. in Petroleum Engineering from University of Missouri, USA. Collected over 370 days of auditing experience in OHSAS 18001 and MS 1722 OHSMS (72 days for palm oil miling and 8 days for oil palm plantation). CIMAH competent person with Malaysia Department of Occupational Safety and Health (DOSH) since 1997. An Occupational Safety and Health Trainer at INSTEP PETRONAS. Successfully completed RSPO Lead Assessor Course in 2008 and IRCA accredited Lead Assessor training for ISO 9001 and RABQSA/IRCA EMS Lead Assessor Course for ISO 14001 in 2008. During this assessment, he assessed on the aspects of legal, estate & mill best practices, safety & health, HCV and workers consultation. He is fluent in Bahasa Malaysia and English languages. |

Accompanying Persons:

| No. | Name | Role |
|-----|------|------|
| - | - | - |

2.3 Assessment Plan

| Date | Time | Subjects | EOC | MHM | MHZ |
|-------------------------|-----------|---|-----|-----|-----|
| Monday, 06/01/2020 | PM | Auditors travelling to Segamat and check in Hotel. | √ | √ | √ |
| Tuesday, 07/01/2020 | 0800-0830 | 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) • Verification on previous audit findings | √ | √ | √ |
| | 0830-1200 | Hwa Li Estate 1: 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. | √ | √ | √ |
| | 1200-1300 | Lunch | √ | √ | √ |
| | 1300-1630 | Hwa Li Estate 1: Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers' rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment. | √ | √ | √ |
| | 1630-1700 | Interim Closing Briefing | √ | √ | √ |
| Wednesday 08/01/2020 | 0800-1200 | Hwa Li Estate 2: 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. | √ | √ | √ |

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|------------------------|-----------|---|-----|-----|-----|
| | 1000-1200 | Meeting with stakeholders – DOSH, DOE, Forestry, Wildlife, Land Office, Labour Office, Neighbouring Estates, Community, Contractors, Suppliers, etc. | √ | - | - |
| | 1200-1300 | Lunch | √ | √ | √ |
| | 1300-1630 | Hwa Li Estate 2: Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers’ rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment. | √ | √ | √ |
| | 1630-1700 | Interim Closing Briefing | √ | √ | √ |
| | PM | Travel from Segamat to Gambang | √ | √ | √ |
| Thursday 09/01/2020 | 0800-1200 | Carotino Palm Oil Mill: Inspection of 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, meeting stakeholders etc. | √ | √ | √ |
| | 1000-1200 | Meeting with stakeholders – DOSH, DOE, Forestry, Wildlife, Land Office, Labour Office, Neighbouring Estates, Community, Contractors, Suppliers, etc. | √ | - | - |
| | 1200-1300 | Lunch | √ | √ | √ |

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| Date | Time | Subjects | EOC | MHM | MHZ |
|----------------------|-----------|--|-----|-----|-----|
| | 1300-1600 | <p>Carotino Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area.</p> <p>Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers' rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment.</p> <p>Verify previous nonconformities.</p> | √ | √ | √ |
| | 1600-1700 | <p>Audit team discussion & findings preparations.</p> <p>Closing Meeting</p> <ul style="list-style-type: none"> • Presentation of report by BSI Lead Auditor – briefing & discussion of findings • Acceptance & acknowledgement by Carotino Palm Oil Mill & Estates | √ | √ | √ |
| Friday 10/01/2020 | 0800-1230 | <p>Carotino Palm Oil Mill: Incoming of FFB and outgoing of CSPO & CSPK – weighbridge, ramp, storage area, loading bays, etc. Documentation review: RSPO SCC general requirements, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records.</p> | √ | - | √ |
| | 1230-1300 | Closing for RSPO SCC Audit | √ | - | √ |
| | 1300-1400 | Lunch | √ | - | √ |
| | 1400-1700 | Audit Team travel back to KL. | √ | - | √ |

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- Carotino/JC Chang Group Multiple Management Units / Time Bound Plan
- RSPO P&C 2018 Generic
- RSPO Group Certification Standard 2016
- RSPO Supply Chain Certification Standard 2017
- RSPO P&C National Interpretation MYNI 2019

3.2 Time Bound Plan progress for multiple management units

| Time Bound Plan | | |
|--|--|------------|
| Requirement | Remarks | Compliance |
| Does the plan include all current subsidiaries, estates and mills that is under the control of the holding company? | Yes. It includes Melewar Production Unit, Asia Production Unit, Carotino Production Unit and Takon Production Unit. Please refer to appendix B for details on the mills and estates of Carotino/JC Chang Group. | Yes |
| Have all the estates and mills certified within five years after obtaining RSPO membership? | Yes. Last unit which is Takon Production Unit has undergone RSPO initial certification on 28/10/2019-02/11/2019 with positive result and the CB will recommend Takon Unit for RSPO certification. Latest update on 04.01.2020, on the land conflict issue, as requested by HO, Mr. Nesron Bin Alat (Secretary of 42 land claimants committee) and Sipar Bin Una-Una (Chairman of 42 land claimants committee) came to Takon Estate office around 8.30 AM to submit the 'IC number of 42 land claimants which including the 6 new claimants' with a supporting letter from Sazalye Donol Muhammad & Co'. | Yes |
| Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available. | No, there have not been any acquisitions. | Yes |
| Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting? | Yes. There is a change in the time bound plan due to the delay of the HC RaCP compensation plan approval by RSPO. | Yes |
| Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised | No, there has not been any isolated lapses. The implementation of the plan was hold-up by the RaCP compensation approval by RSPO. | Yes |

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| | | |
|---|---|------------|
| <p>Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised</p> | <p>No, there is no fundamental failure. The delay in implementation of the plan was hold-up by the RaCP compensation approval by RSPO.</p> | <p>Yes</p> |
| <p>Un-Certified Units or Holdings <i>(any non-compliance against the below shall be raised as Major Non-compliance)</i></p> | | |
| <p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. | <p>After the certification of Takon PU, there will be no more uncertified unit.</p> | <p>Yes</p> |
| <p>Any new plantings since January 1st 2010 shall comply with the RSPO New Plantings Procedure.</p> | <p>No new plantings since 1/7/2010. After the certification of Takon PU, there will be no more uncertified unit.</p> | <p>Yes</p> |
| <p>Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6.</p> <p>The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities https://www.rspo.org/certification/remediation-and-compensation/racp-tracker. The progress on the Liabilities shall be verified and reported.</p> | <p>Takon has yet to obtain Compensation plan approval by RSPO.</p> | <p>Yes</p> |
| <p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.</p> | <p>No labour dispute reported and found during the on-site audit. Takon PU is the last management unit under the time bound plan of Carotino / JC Chang Group to be certified. During this audit, interview with the workers shows no labour dispute.</p> | <p>Yes</p> |
| <p>Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1</p> | <p>No legal non-compliance reported and found during the on-site audit.</p> | <p>Yes</p> |
| <p>Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.</p> | <p>Yes. Internal audit conducted with findings highlighted for site’s further improvement.</p> <p>*Last internal audit conducted for Takon Production Unit is July 2019.</p> | <p>Yes</p> |
| <p>Have there been any stakeholder (including NGO) consultation conducted?</p> | <p>Yes.</p> <p>BSI had make public announcement on the BSI and RSPO website regarding the certification of Carotino/JC Chang Group. There was no comment received.</p> <p>For local stakeholder comments, please refer to section 3.5 of this report.</p> <p>Unit has conducted stakeholder consultation with neighbouring properties, suppliers, government agencies, recruitment agencies, and local communities. Record of</p> | <p>Yes</p> |

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| | | |
|--|---|--|
| | <p>stakeholder consultation and meeting maintained by respective units as below:</p> <ol style="list-style-type: none"> 1. 10/08/2015: Jabatan Tenaga Kerja (Cawangan Lahad Datu) 2. 25/02/2020: Smallholders, contractors, suppliers, vendors, school (locals & CLC), etc. 3. 25/09/2019: Transporters, neighbouring estates, suppliers and army. 4. 13/12/2019: Neighbouring estates. 5. 03/12/2018: Wakil Kilang Felda Mercu Puspita, Felda Sahabat, Kampung Taburi, Abid Mas Group, etc. 6. 11/10/2019: Felda Sahabat 16, Felda Sahabat 48, Felda Sahabat 50, Felda Sahabat 07. 7. 14/10/2019: Greatate Asset Sdn Bhd, Tiong Kheng Holdings Sdn Bhd. 8. 16/10/2019: Lai Development Estate. 9. 26/10/2019: Ikhtisas Sempurna Estate. 10. 22/10/2019: Kampung Ulu Teburi Tungku. 11. 23/10/2019: Pelita Pertama Sdn Bhd | |
|--|---|--|

3.3 Progress of scheme smallholders and/or outgrowers (if applicable to this assessment)

| Progress of scheme smallholders or outgrowers towards compliance with relevant standards | | |
|---|------------------------|------------|
| Requirement | Remarks | Compliance |
| <p>Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?</p> <p>OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.</p> | <p>Not applicable.</p> | <p>N/A</p> |

3.4 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 two (2) Major & two (2) Minor nonconformities raised. The Carotino 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.

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(ies) has been verified for it effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

| Non-conformity | | | |
|------------------------------------|---|--|------------------------------|
| NCR Ref # | 1871353-202001-M1 | Clause & Category (Major / Minor) | Indicator 7.10.1 Critical |
| Date Issued | 10/01/2020 | Due Date | 8/04/2020 |
| Closed (Yes / No) | Yes | Date of nonconformity Closure | 06/03/2020 |
| Statement of Nonconformity: | GHG emissions assessed for the unit of certification was not effectively monitored through the Palm GHG calculator | | |
| Requirement Reference: | GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimize them are implemented, monitored through the Palm GHG calculator and publicly reported. | | |
| Objective Evidence: | Incorrect input data reported in Palm GHG calculator. Details of data input checked: Maran Estate – NK Mix (palm GHG : 2032.4 mt vs actual: 2,060.35 mt), PMG Mix (palm GHG : 723.1 mt vs actual: 694.50 mt), 16.3 mt reported under BRP (palm GHG) but in actual record reported under Korn Kali. | | |
| Corrections: | Management has been briefed by Internal Control Team Member during the audit. Correction and submission of the correct data is performed immediately. | | |
| Root Cause Analysis: | Maran management was misunderstood on the data submission to the auditor. The fact that the data that has been submitted is a delivery of raw material data (ie: Fertilizer, fuel) instead of usage record data. Hence, the error is happening. At the same time, the data was submitted without counter check of the accuracy of the data. | | |
| Corrective Actions: | Training and guidance will be conducted to the management as well as person in charge for updating the raw material issuance and to understand the data input requirement. Assistant manager will perform counter check on monthly basis to make sure data transferred from issuance record is tally. Apart from that, lead auditor for the production unit will request each unit to send the raw data template for the purpose of monitoring on quarterly basis. | | |
| Assessment Conclusion: | <u>Major NC onsite verification:</u> Evidence reviewed: | | |

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| | <p>1. PalmGHG training was provided by Sustainability Team (Mr Edwerd) to 3 participants (1 Store Clerk and 2 Assistant Manager) on 04/03/2020. Sighted the training material and evaluation form.</p> <p>2. Verification of the actual fertilizer application on the stock card summarized in Maran PalmGHG Data by Store Clerk for NK Mix: 2060.35 t/yr, PMG Mix: 718.55 t/yr, BRP: 17.8 t/yr and Korn kali 16.6 t/yr.</p> <p>3. The establishment of MRN_Farm_GHG working template for the GHG input data monitoring by monthly basis (by assistant manager) and quarterly (lead auditor for Carotino production unit).</p> <p>4. Interview session with the Store Clerk (Nor Jannatul Afifi) and Assistant Manager (Mr Tamil Selvan A/L Murthy & Mr Lee Wei Tak) on 06/03/2020 on the training provided. All the correction, corrective action and its evidence of implementation were found to be adequate. The Major NC closed on 06/03/2020.</p> |
|--|---|

| Non-conformity | | | |
|------------------------------------|--|--|-------------------|
| NCR Ref # | 1871353-202001-M2 | Clause & Category (Major / Minor) | D.5.1 Critical |
| Date Issued | 10/01/2020 | Due Date | 8/04/2020 |
| Closed (Yes / No) | Yes | Date of nonconformity Closure | 06/03/2020 |
| Statement of Nonconformity: | Record and balance of PK was not monitored on real-time basis. | | |
| Requirement Reference: | The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. | | |
| Objective Evidence: | Based on quarterly sustainable product from (April - June 2019), opening stock: 24.31 mt, production: 595.26 mt, despatch: 680.90 mt, balance: - 61.33 mt. Negative stock recorded for the closing month of May 2019 after delivery was made. | | |
| Corrections: | Carotino Palm Oil Mill had stop immediately all the delivery of PK. Delivery of PK will be only continued once the real time basic data shown the positive stock of sustainable PK. | | |
| Root Cause Analysis: | Management was wrongly interpreting the requirement to monitor the PK and CPO movement upon expiry date of certificate. The requirement only made clear to the management during the audit. | | |
| Corrective Actions: | <p>1. Ms Norzilawati as a person in charge will monitor on daily basic the movement of PK and CPO to prevent negative stock record in future. As a person in charge, Ms Norzilawati will also ensuring there is a positive and sufficient sustainable RSPO CPO and PK stock through carry out monitoring on the IP table in real-time basis prior to make any dispatch of RSPO CPO or PK.</p> <p>2. Refreshing training will be conducted for Ms. Norzilawati to ensure the issue is not repeated in future. This to address the wrongly interpreting the requirement.</p> | | |
| Assessment Conclusion: | <p><u>RC2 verification:</u> Evidence reviewed:</p> <p>1. The correspondence on 16/01/2020; request from Mill Manager (Mr. Kenny) to Marketing Manager (Mr. Ng) to stop dispatch RSPO PK due to negative stock. The current stock is to be replaced to sell as non-sustainable PK until the stock for sustainable PK is positive.</p> | | |

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| | <p>2. The establishment of sustainability products PK, with additional of PK stock balance for non-sustainable and sustainable PK for monitoring the positivity of the PK balance. This will be checked in everyday basis. Sighted the PK stock balance for January 2020 is 75.18 MT and February 2020 is 610.14 MT. Traceability can be demonstrated through the daily production of PK and daily production listing.</p> <p>3. Training record titled 'Pemantauan CPO/PK & Real Time' on 21/01/2020 to 1 Admin Officer and 2 weighbridge clerk by Mr Chandran, Senior Assistant Manager.</p> <p>4. Interview session with 1 Admin Officer (Norzilawati) and 2 weighbridges clerk (Nur Atiqah & G.A Aswini) on 06/03/2020 on the training provided.</p> <p>All the correction, corrective action and its evidence of implementation were found to be adequate. The Major NC closed on 06/03/2020.</p> |
|--|--|

| Non-conformity | | | |
|------------------------------------|--|--|-------------------------------------|
| NCR Ref # | 1871353-202001-N1 | Clause & Category (Major / Minor) | Indicator 2.1.3 Non-Critical |
| Date Issued | 10/01/2020 | Due Date | Next annual surveillance assessment |
| Closed (Yes / No) | No | Date of nonconformity Closure | "Open" |
| Statement of Nonconformity: | Legal or authorised boundaries are not consistently demarcated and visibly maintained. | | |
| Requirement Reference: | Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries. | | |
| Objective Evidence: | Observed during site visit, there is no marking/demarcation made and visibly maintained along legal boundary with Suburban Properties Estate. At Hwa Li 2, is it was found that no clear demarcation observed and visibly maintained along legal boundary with Felda Palong Timur Lima. | | |
| Corrections: | <p>Hwa Li Estate Div. 1: Every field staff being instructed to carry out the census on current availability of planted boundary stone and PVC pipe for marking with red paint for demarcation is used to replace the missing pegging along the estate boundary.</p> <p>Hwa Li Estate Div. 2: Management has identified the area and replacement of missing pegging will be performed. The Assistants and staff will perform regular checking and arrange for maintenance of legal boundary to ensure the legal demarcations are in place at all times.</p> | | |
| Root Cause Analysis: | <p>Hwa Li Estate Div. 1: Management is in progress to install the pegging as the previous pegging for that stretch of boundary is no longer exist due rotten and Person In Charge for that particular area does not carry out inspection and also did not replace the missing pegging.</p> <p>Hwa Li Estate Div. 2: The outsiders who illegally cultivated oil palms beside our legal boundary have removed our boundary demarcation. Apart from that, person in charge for that</p> | | |

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| | particular scratch of boundary also did not perform inspection and replace the missing pegging. |
| Corrective Actions: | <p>Hwa Li Estate Div: The management decided to include in the plan for monitoring purpose on the boundary stone and to ensure the marking is visibly maintained along the legal boundaries. Staff in charge for each field will regularly check the marking boundary along their own management area to ensure the marking is maintained as what it is.</p> <p>Hwa Li Estate Div. 2: The Manager and Assistants will immediately arrange for consultation with the stakeholder to alert them on the legal boundary marking. Management will redo clear legal boundary demarcation with permanent markers.</p> |
| Assessment Conclusion: | <u>RC2 verification:</u> Corrective actions plan has been reviewed and deemed to be satisfactory to address the Minor Nonconformity. Evidence CAP will be verified during next assessment. |

| Non-conformity | | | |
|------------------------------------|--|--|-------------------------------------|
| NCR Ref # | 1871353-202001-N2 | Clause & Category (Major / Minor) | Indicator 3.3.2 Non-Critical |
| Date Issued | 10/01/2020 | Due Date | Next annual surveillance assessment |
| Closed (Yes / No) | No | Date of nonconformity Closure | "Open" |
| Statement of Nonconformity: | Found that the 2 Stand by Persons assigned for the job were not AESP Competent Persons. | | |
| Requirement Reference: | A mechanism to check consistent implementation of procedures is in place. | | |
| Objective Evidence: | The 2 Person (Ramesh and Lalitha) were not on the list of AESP Competent Person provided. | | |
| Corrections: | All activity on Confined Space related stopped immediately. The person in-charge of OSH and OSH secretary has been briefed and understand the Guidelines on Confined Space requirement. PIC will check all requirements complied before allowing any activity related to Confined Space. | | |
| Root Cause Analysis: | Mill management was wrongly interpreting the requirement of confined space COP. Just for info Mill assigned 3 personnel Mr Maniseelan(AESP), Mr Ramesh(1st Aider) & Ms Lalitha (1 st Aider) for the particular job under rescue team "Pasukan Penyelamat", Carotino Management assumed Ramesh and Lalitha already a first aider not required AESP Competent Person. | | |
| Corrective Actions: | The Manager will perform training to person in-charge and secretary of Occupational Health on Confined Space Guideline. Management/PIC will make sure all personnel involved with Confined Space activity must be AESP Competent Person including first aider. | | |
| Assessment Conclusion: | <u>RC2 verification:</u> | | |

| | |
|--|---|
| | Corrective actions plan has been reviewed and deemed to be satisfactory to address the Minor Nonconformity. Evidence CAP will be verified during next assessment. |
|--|---|

| Opportunity for Improvements | |
|------------------------------|-------------|
| OFI # | Description |
| OFI 1 | - |

| Positive Findings | |
|-------------------|---------------------------------------|
| PF # | Description |
| PF 1 | Good cooperation from the management. |

3.4.1 Status of Nonconformities Previously Identified and Observations

| Summary of Total Number of Nonconformity | | | |
|--|---|--|--------------------------|
| Nonconformity | | | |
| NCR Ref # | 1729621-201901-N1 | Clause & Category (Major / Minor) | Indicator 4.1.2 Minor |
| Closed (Yes / No) | Yes | Date of nonconformity Closure | Recertification Audit |
| Statement of Nonconformity: | The mechanism to check consistent implementation of procedures is not fully effective. | | |
| Requirement Reference: | A mechanism to check consistent implementation of procedures shall be in place. | | |
| Objective Evidence: | <p><u>Pahang Oil Palm Estate Div.1:</u> The registered accident record details as per the Safety Piano Chart (sampled month period of July-18 to Dec-18) was not reviewed accordingly as per Guidelines on Accident Reporting and Investigation, Doc. No. M/015-03/2018 in the OSH Quarterly Meeting.</p> <p><u>Carotino Palm Oil Mill:</u> Procedure implementation checking for following issues is not fully effective: - Several protruding reinforcement bar from partially broken road crossing drainage concrete hump spotted near the store/water treatment plant area. - Case 570 MXT (backhoe) was found with malfunction front & back head lamp, horn and seat belt.</p> <p><u>Maran Estate:</u> The latest water sampling analysis for domestic usage (drinking water) has been conducted on 01.03.2018 and sent to PERMULAB however, the result have no parameter of Total Coliform as per National Standard of Drinking Water Quality, Revised December 2000, Second Version, January 2004. Sighted also the previous 3 consecutive years (2016-2018) water analysis result have different parameter analysed annually and not having the standard parameter as per National Standard of Drinking Water Quality, Revised December 2000, Second Version, January 2004.</p> | | |

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|--------------------------------------|---|
| <p>Corrective Actions:</p> | <p><u>Pahang Oil Palm Estate Div.1:</u> The Manager will perform training to person in-charge of OSH and OSH secretary on Guideline on OSH meeting and requirements of accident record review. The manager will also ensure that the requirement on accident review is proper stated in the agenda during he sigh the agenda of calling meeting</p> <p><u>Carotino Palm Oil Mill:</u> Work Place Inspection program for mill compound and building will be improved and included in Work Place Inspection (WPI) on Monthly basic. Any defection will be highlighted in WPI and reported to management and proper remedial actions will be taken accordingly.</p> <p>Checklist will be prepared to monitor Vehicle performance and its safety aspects on daily basis by Driver & Supervisor before work start. Any defects will bring forward to Foreman’s attention for rectification. To ensure inspection works properly performed by person in-charge, Mr. Chan Pao Lung (Chief Foreman of Pahang Oil Palm Estate) will be further appointed for the Inspection on Monthly basis/ Every 250 hours when vehicle undergo his routine schedule of maintenance.</p> <p><u>Maran Estate:</u> Since they is no any memo to spelt on the requirements of parameter. The memo have been circular to Estate Manager to make clear on the parameter requirements of drinking water testing.</p> |
| <p>Assessment Conclusion:</p> | <p><u>RC2 verification:</u> All corrections had been sighted implemented accordingly. Guidelines on Accident Reporting and Investigation, Doc. No. M/015-03/2018 had been complied with. Safety Committee investigate all accidents and report to DOSH timely in accordance to NADOOPOD 2004 Regulations. The partially broken road crossing where protruding reinforcement bar was sighted had been repaired. Checklist to monitor vehicle performance and its safety aspects had been used. Chief Foreman of Pahang Oil Palm Estate also inspects on Monthly basis/ Every 250 hours when vehicle undergo its routine maintenance. The 2019 Drinking Water parameters required to be analysed had been standardized. It included total coliform as sighted in the analysis report. Hence the minor NC is recommended to be closed.</p> |

| <p>Opportunity for Improvements</p> | |
|--|---|
| <p>OFI #</p> | <p>Description</p> |
| <p>OFI 1</p> | <p>1729621-201901-01</p> <p>Indicator 5.1.2 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.</p> <p>Details : At Carotino POM, the urgency of returning the un-shredded EFB into the shredding process system can be improved in order to prevent the EFB leachate from escaping to the surrounding storm drain.</p> <p>RC2 Status:</p> |

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|--|--|
| | During site visit, there is no leachate seen at the un-shredded EFB storage area and the person responsible to ensure timely shred of EFB is the Process Supervisor. Hence, the OFI is recommended to be closed. |
|--|--|

3.4.2 Summary of the Nonconformities and Status

| CAR Ref. | Category (Major / Minor) | P&C Indicator | Issued Date | Status & Date (Closure) |
|--------------------|--------------------------|---------------|-------------|--------------------------|
| 1729621-201901-N1 | 4.1.2 | Minor | 17/01/2019 | Closed out on 10/01/2020 |
| RSPO P&C MYNI 2019 | | | | |
| 1871353-202001-M1 | 7.10.1 | Critical | 10/01/2020 | Closed out on 06/03/2020 |
| 1871353-202001-M2 | D.5.1 | Critical | 10/01/2020 | Closed out on 06/03/2020 |
| 1871353-202001-N1 | 2.1.3 | Non-Critical | 10/01/2020 | "Open" |
| 1871353-202001-N2 | 3.3.2 | Non-Critical | 10/01/2020 | "Open" |

3.5 Stakeholders and previous land owner / user consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Carotino Palm Oil Mill Certification Unit's environmental and social performance, legal and any known dispute issues.

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. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 12/11/2019, through BSI website as per following link: https://www.bsigroup.com/globalassets/localfiles/en-my/rspo/Public%20Notification/2019/public_notification_for_recertification_assessment_carotino-jc-chang-group-english.pdf

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 below.

| List of Stakeholders contacted | |
|---|---|
| Internal Stakeholders Workers Representatives Gender Committee | Trade Union & Contractors Contractors & Suppliers: Carotino POM's Canteen & Shopkeeper |

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| <p>Government Departments JTK Officer-Segamat (Mr. Anuar & Mr. Khazwan)</p> | <p>Neighbouring Estates & Local Communities Srijaya Oil Palm Estate, Kema Palm Oil Mill & ADC Durian (Neighbour Estates & Mill in Carotino POM). Kuantan Trading, Prosper Commodity Sdn Bhd & Lum Oil Mill Sdn Bhd (Neighbour Estates & Mill in Hwa Li 1 Estate). Tok Batin Kamisan – Kampung Pasal.</p> |
|---|---|
| <p align="center">Stakeholders comment</p> | |
| <p>1</p> | <p>Feedbacks: <u>Srijaya Oil Palm Estate, Kema Palm Oil Mill & ADC Durian (Neighbour Estates & Mill in Carotino POM).</u> Both Srijaya Oil Palm Estate, Kema Palm Oil Mill & ADC Durian are the neighbour estate and mill for Carotino POM for a long time relationship. It is verified that Carotino POM only receive its own FFB from own estates hence it operates under Identity Preserved Supply Chain Module. No complaint received. Boundaries are clearly demarcated and they have a good relationship.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p> |
| <p>2</p> | <p>Feedbacks: <u>Kuantan Trading, Prosper Commodity Sdn Bhd & Lum Oil Mill Sdn Bhd (Neighbour Estates & Mill in Hwa Li 1 Estate).</u> The boundary from Hwa Li 1 Estate is clearly demarcated. No land dispute issue reported. All of the neighbouring estates has the good relationship with Hwa Li 1 Estate since they work together on the road maintenance.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p> |
| <p>3</p> | <p>Feedbacks: <u>Tok Batin Kamisan – Kampung Pasal</u> Hwa Li 2 Estate has given contribution to the community such as drainage repair, request to build a small hut in the graveyard area for the villagers, bus stand, etc.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p> |
| <p>4</p> | <p>Feedbacks: <u>Gender Committee Representatives</u> No sexual harassment cases reported so far. Meeting and activities were conducted actively year round. No domestic violence cases too. New mother needs has been discussed in the gender committee meeting and implemented.</p> <p>Management Responses:</p> |



| | |
|----------|---|
| | Noted on the information. |
| | Audit Team Findings: No other issue. |
| 5 | Feedbacks: <u>Carotino POM's Canteen & Shopkeeper</u> The canteen operated from morning until evening. The owner also a school bus driver for children in Carotino POM's estates. The company paid the transportation fees in monthly basis. Both canteen and school bus services has been operated for more than 10 years in Carotino POM's housing area. No complaint received so far. |
| | Management Responses: Noted on the information. |
| | Audit Team Findings: No other issue. |
| 6 | Feedbacks: <u>JTK Officer-Segamat (Mr. Anuar & Mr. Khazwan)</u> It is verified with the JTK Officer that if the worker is not offered to work on his/her rest day, employer has the right to not pay double rate if worker insist to work. The double rate only applicable for those workers who have been offered to work on his/her rest day only. |
| | Management Responses: Noted on the information. |
| | Audit Team Findings: No other issue. |

| List of land owner / user contacted | | | | | |
|---|---------------------------|----------------|----------------------|---------------------------------|--|
| Name | Years of ownership / used | Land area (ha) | Agreement (Yes / No) | Agreement base on FPIC (Yes/No) | Compliance on the agreement terms and conditions |
| There is no customary rights land in the Carotino POM Certification Unit. | - | - | - | - | - |

| Previous land owner / user comment | |
|------------------------------------|--|
| 1 | Feedbacks: There is no customary rights land in the Carotino POM Certification Unit. |
| | Management Responses: - |
| | Audit Team Findings: - |

3.6 Impartiality and conflict of interest

During this assessment there was no circumstances or pressure that had influenced the independence or confidentiality of the assessment team.

| Formal Signing-off of Assessment Conclusion and Recommendation | |
|--|---|
| <p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Carotino Palm Oil Mill & Supply Bases has complied with criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Carotino Palm Oil Mill & Supply Bases is continued.</p> | |
| Report prepared by | Acceptance of Assessment Conclusion |
| <p>Name: Elzy Ovktafia Binti Chairul</p> | <p>Name: Seow Chee Chiang</p> |
| <p>Company Name: BSI Services Malaysia Sdn Bhd</p> | <p>Company Name: Carotino/JC Chang Group</p> |
| <p>Title: Client Manager</p> | <p>Title: Senior Manager</p> |
| <p>Signature:</p>  | <p>Signature:</p> <p><i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p>  |
| <p>Date: 24/03/2020</p> | <p>Date: 29/03/2020</p> |

Appendix A: Summary of Findings

| Criterion / Indicator | Assessment Findings | Compliance | |
|---|---|--|----------|
| Principle 1: Behave ethically and transparently | | | |
| Criterion 1.1 | | | |
| The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | | | |
| 1.1.1 | (C) Documents that are specified in the RSPO P&C are made available to the public. - Major compliance - | 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 | Information is provided in appropriate languages and accessible to relevant stakeholders. - Minor compliance - | JC Chang Group has developed a Guideline on Mechanism for Information Requests by Stakeholders. The guideline has been reviewed on 12/08/2019 and updated documentation with Doc. Ref. No. E/006-08/2019 was available for review. Information provided in both English and Bahasa Malaysia and accessible to all stakeholders in JC Chang Certification Unit. They can come to estate/mill office or surfing website (www.carotino.com). Due Diligence form, (E/024-01/2019 dated 12/08/2019) and Sustainability Compliance Clause form, (E023-01/2019) established for the stakeholders. Sighted sample for KWSP Officer on 05/11/2019, Pejabat Hutan Daerah Rompin on 03/11/2019 and Majlis Daerah Rompin on 13/11/2019. | Complied |
| 1.1.3 | (C) Records of requests for information and responses are maintained. - Major compliance - | The management has implemented stakeholder request register where the stakeholders' request will recorded into the Stakeholder Request Book in each operating unit as below: The responses were also well maintained in the same Stakeholder Request Book. | Complied |
| 1.1.4 | (C) Consultation and communication procedures are documented, disclosed, implemented, made available, | JC Chang Group has established SOP on Mechanism for Communication and Consultation with Doc. Ref. No. E/004-08/2019 dated 12/08/2019. There are three methods of communication such as below: | Complied |

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| | <p>and explained to all relevant stakeholders by nominated representative. - Major compliance -</p> | <ol style="list-style-type: none"> 1. Consultative with employees and others stakeholders 2. Gender group (female) consultation 3. Free prior informed consent <p>Mechanisms of the communication such as Joint Consultative Committee (JCC), Complaints and Grievance Procedure and suggestion box are available outside the office.</p> <p>Assistant Manager & Admin Officer (Mohammad Faiz Asyraf & Abhirami-Hwa Li 1 Estate), (Mohd Zafri & Haziratul Qudsiah-Hwa Li 2 Estate) and Norzilawati-Carotino POM have been nominated as the person responsible for issues such as consultation and communication requirements. Letter of appointment sighted dated 10/05/2019, 14/10/2019 and 01/01/2019. The notice of appointed persons was displayed at the notice board outside the mill & estate office.</p> <p>The communication also available through the website of Carotino Group (Malaysia, Europe and Australia).</p> | |
| 1.1.5 | <p>There is a current list of contact and details of stakeholders and their nominated representatives. - Minor compliance -</p> | <p>Carotino POM Certification Unit has developed a stakeholder list which last reviewed on 30/12/2010 at Hwa Li 1 Estate, 09/10/2010 at Hwa Li 2 Estate which included FFB suppliers, sister estates, suppliers, contractors, government authorities and local communities.</p> <p>The stakeholder meeting/visit conducted on phases :</p> <ol style="list-style-type: none"> 1. Hwa Li 1 Estate: 20/10/2019, 23/11/2019, 18 & 20/11/2019 and 27-28/12/2019. 2. Hwa Li 2 Estate: 29/10/2019, 26/11/2019, 27/11/2019, 30/11/2019 and 02/12/2019. 3. Carotino POM: 28/09/2019. | Complied |

| Criterion 1.2 | | | |
|---|---|---|----------|
| The unit of certification commits to ethical conduct in all business operations and transactions. | | | |
| 1.2.1 | <p>A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.</p> <p>- Minor compliance -</p> | <p>Carotino / JC Chang has documented its Corruption Prevention Policy that incorporated various aspect of commitment to a code of ethical conduct and integrity. It was established on 04 September 2015 and signed by the estate director and is made applicable to any and all form of business operations and transactions, including recruitment and contracts.</p> <p>The policy has been communicated and implemented to all Operating Units and all levels of the workforce. Sighted the policy had been displayed at the offices of Hwa Li Estate 1, Hwa Li Estate 2 and Carotino POM.</p> | Complied |
| 1.2.2 | <p>A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.</p> <p>- Minor compliance -</p> | <p>To ensure that the organization’s compliance and ethics program is followed the below activity were noted performed:</p> <ul style="list-style-type: none"> • Code of Business Conduct including Corruption Prevention Policy have been communicated to all levels in the organization as well as to contractors. • Adopted Integrity Pacts in its service supply contracts with contractors, making them commit to stamp out corrupt practices and abide by the contract terms and conditions. • Monitoring and auditing to detect criminal conduct including monitoring through regular walk-about or continuous observation while managing the organization. | Complied |

| Principle 2: Operate legally and respect rights | | | | | | | | | |
|--|--|--|-----------------------|-----------|---------|--------------------------------|--|--|----------|
| Criterion 2.1 | | | | | | | | | |
| There is compliance with all applicable local, national and ratified international laws and regulations. | | | | | | | | | |
| 2.1.1 | (C) The Unit of Certification complies with legal requirements - Major compliance - | <p>Seventy four (74) Acts are applicable incorporating OSH (Noise Exposure) Regulations 2019, Pesticides (Amendment of First Schedule) Order 2019, National Holidays on Tuesday, July 30, 2019 in conjunction with His Majesty's XVI coronation ceremonies and the Income Tax Act, Rules (Deductions for Employment of Older People, Ex-Prisoners, Polar Persons, Supervisors and Former Drug Addicts) 2019.</p> <p>i) DOE License/Jadual Pematuhan: JP/KKS/2019/2020/003216 (validity period 1/7/2019 - 30/6/2020) for 45MT/hr and method of POME discharge is land application. BOD limit is < 500 mg/l. Among compliance monitoring carried out in the current license period as per the following:</p> <table border="1" data-bbox="922 865 1818 1353"> <thead> <tr> <th>Compliance monitoring</th> <th>Frequency</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Online environmental reporting</td> <td>Quarterly, submission before 14th of the following month</td> <td> <p>First Schedule @ Quarterly return form, 4th quarter dated 7/1/20 BOD₃ – 37 ppm (7/10/19) BOD₃ – 41 ppm (4/11/19) BOD₃ – 37 ppm (2/12/19)</p> <p>First Schedule @ Quarterly return form, 3rd quarter dated 13/10/20 BOD₃ – 30 ppm (1/7/19) BOD₃ – 30 ppm (5/8/19) BOD₃ – 30 ppm (3/9/19)</p> </td> </tr> </tbody> </table> | Compliance monitoring | Frequency | Remarks | Online environmental reporting | Quarterly, submission before 14 th of the following month | <p>First Schedule @ Quarterly return form, 4th quarter dated 7/1/20 BOD₃ – 37 ppm (7/10/19) BOD₃ – 41 ppm (4/11/19) BOD₃ – 37 ppm (2/12/19)</p> <p>First Schedule @ Quarterly return form, 3rd quarter dated 13/10/20 BOD₃ – 30 ppm (1/7/19) BOD₃ – 30 ppm (5/8/19) BOD₃ – 30 ppm (3/9/19)</p> | Complied |
| Compliance monitoring | Frequency | Remarks | | | | | | | |
| Online environmental reporting | Quarterly, submission before 14 th of the following month | <p>First Schedule @ Quarterly return form, 4th quarter dated 7/1/20 BOD₃ – 37 ppm (7/10/19) BOD₃ – 41 ppm (4/11/19) BOD₃ – 37 ppm (2/12/19)</p> <p>First Schedule @ Quarterly return form, 3rd quarter dated 13/10/20 BOD₃ – 30 ppm (1/7/19) BOD₃ – 30 ppm (5/8/19) BOD₃ – 30 ppm (3/9/19)</p> | | | | | | | |

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| | | | | BOD ₃ limit : 500 ppm (land application) | |
| | | Stack sampling | 6 monthly | <p>First half of 2019 Boiler no.2 : date of monitoring – 16/5/19 Result: 333 mg/m³ at 12% CO₂</p> <p>Boiler no.3 : date of monitoring – 16/5/19 Result:175 mg/m³ at 12% CO₂</p> <p>2nd half of 2019 Boiler no.2 : date of monitoring – 18/11/19 Result: 336 mg/m³ at 12% CO₂.</p> <p>Boiler no.3 : date of monitoring – 18/11/19 Result:126 mg/m³ at 12% C</p> | |
| | | Smoke emission | Online CEMS | <p>CEMS reporting data for November 2019, dated 3/12/19 PM – high: 180 mg/m³, low: 37 mg/m³ Opacity – high: 34 low: 3.96 *temporary running low capacity boiler</p> | |

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| | | Environmental audit | Once per year | Environmental audit report dated 21 October 2019, (ref EA 2019) Registered DOE auditor, EA 106 No non-conformance raised, 2 observation issued. | |
| | | Noise boundary monitoring | Once in every license period | Report ref.: ALM/CAROTINO/0519/5114 dated 26/6/19. Complied with Malaysian Recommended Limit of 70dBA (day) and 60 dBA (night) for designated industrial area. (previous year license period) New license period – plan to carry out on 14/1/20, refer to PO# 4108, appointed consultant: Alam Hijau Integrasi (M) Sdn Bhd. | |
| 2.1.2 | A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations. - Minor compliance - | Documented system on legal requirements is available under Guidelines Register Part E (Legal, Employment, Welfare, Communication & Consultation). It comprised of: | | Complied | |
| | | <ul style="list-style-type: none"> SOP for identifying legal and customary rights and identifying people entitled to compensation, Doc. No. E/002-05/2019 effective 12/8/2019. | | | |

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| | | <ul style="list-style-type: none"> • SOP on Mechanisms to Trace Changes in Legal Requirements, Doc. No. E/005-07/2017 effective 06/01/2017 • Due Diligence, Questionnaire on legal compliance and ethical conduct, Doc. No. E/024-01/2019 effective 12/08/2109 <p>The output from these SOPs is a legal register where the Operating Unit had identified legal requirements that are applicable to its operation to fulfil the spirit of RSPO P&C. It is periodically evaluated to ensure compliance.</p> <p>The person responsible for legal compliance monitoring is formally identified in the guidelines as the Office Administrator. Evaluation of legal requirements and monitoring compliance is monitored by each Operating Unit (through regular walk-arounds or continuous observation by Supervisory staff) and audit by HQ Internal Control Team. Latest legal evaluation was carried out during internal audit from 24th June to 5th July 2019 for the Carotino Pahang Production Unit.</p> <p>System for tracking the changes in the law is addressed in SOP - Mechanism to Trace Changes in Legal Requirements, among which the mechanisms spelt out in the SOP were:</p> <ul style="list-style-type: none"> • Head office subscribes to the Malaysia Gazette on-Line (www.lawnet.com.my) – clause 1 • Information from MPOA, MPOB, and other organizations to HQ – clause 7 • Circular/letter received from government agencies by the estate/mill managers | |
| 2.1.3 | <p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p> | <p>Legal or authorized boundaries has yet to be clearly demarcated and visibility maintained. No marking made visibly maintained along legal boundary with Suburban Properties Estate. At Hwa Li 2, is it was found that no clear demarcation observed and visibly maintained along legal boundary with Felda Palong Timur Lima. Thus a minor NC was issued.</p> | Non-critical |

| Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements | | | |
|---|---|---|----------|
| 2.2.1 | A list of contracted parties is maintained. - Minor compliance - | As stakeholder list updated on 30/12/2010 at Hwa Li 1 Estate, 09/10/20109 at Hwa Li 2 Estate and 13/07/2019 at Carotino POM, it was included the contractors, transporters and suppliers information were available. | Complied |
| 2.2.2 | All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available. - Minor compliance - | Carotino POM only receive FFB form own estates as it used the IP module. Other contractors has signed the memorandum of agreement together with the sustainability compliances contract with operating unit JC Chang Group. Sighted sample on Cheng Cher Beng Earth Work agreement in Hwa Li 1 Estate and Syarikat Perniagaan & Ejen Pengangkutan Eng Lee Seng in Hwa Li 2 Estate (HL2/FFB/FY2019)/2020) and Hup Shing Berjaya Enterpris (Contract date: 01/12/2018-30/11/2021). There is clause mention in the agreement that: <ol style="list-style-type: none"> 1. The contractor shall comply with the act of OSHA requirements. 2. The contractor shall be fully responsible to his vehicle and employees and all vehicle and workers arranged by him in regards to all payments of wages, benefit, allowances, EPF and SOCSO contribution, insurance premium payment or claims, road tax etc. Due Diligence form (Agreement no: E/024-01/2019 dated 12/08/2019) and Sustainability Compliance Clause form, (E023-01/2019) established for the stakeholders. Sighted sample for KWSP Officer on 05/11/2019, Pejabat Hutan Daerah Rompin on 03/11/2019 and Majlis Daerah Rompin on 13/11/2019 at Hwa Li 1 Estate, Pejabat Daerah dan Tanah Bera Pahang on 26/08/2019, Suruhanjaya Tenaga on 30/10/2019 and Jabatan Imigresen Malaysia on 09/12/2019. | Complied |
| 2.2.3 | All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. | Under the due diligence form, it was mentioned that contractors will comply with applicable legal requirement, disallowing child labour, forced labour and trafficked labour. Sampled seen for Cheng Cher Beng Earth Work on | Complied |

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| | Where young workers are employed, the contracts include a clause for their protection. - Minor compliance - | 07/11/2019, Eng Lee Sing Sdn Bhd on 19/11/2019 and Hup Shing Berjaya Enterprise on 22/10/2019. | |
| Criterion 2.3: | | | |
| All FFB supplies from outside the unit of certification are from legal sources. | | | |
| 2.3.1 | (C) For all directly sourced FFB, the mill requires: <ul style="list-style-type: none"> Information on geo-location of FFB origins Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder One or more supporting documents for claims Valid MPOB license - Major compliance - | All directly sourced FFB are from JC Chang’s own estates. Information of each estates detailed out under table 4 & 5 of the report. | Complied |
| 2.3.2 | For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator2.3.1. - Minor compliance - | No indirectly sourced FFB as Carotino POM is under Identity Preserved model. | Complied |
| Principle 3: Optimise productivity, efficiency, positive impacts and resilience | | | |
| Criterion 3.1 | | | |
| There is an implemented management plan that aims to achieve long-term economic and financial viability. | | | |
| 3.1.1 | (C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders. - Major compliance - | JC Chang Group continued its commitment to long term sustainability and improvements through a capital expenditure program. Annual budget and management plan were documented with three years projection (from FY 2020/21 until 2022/23, where budget for all the operational activities such as harvesting, maintenance and milling) were allocated. It includes FFB | Complied |

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| | | <p>production, CPO, PK, OER, and KER, costs of production, CAPEX and OPEX were verified.</p> <p>Carotino Palm Oil Mill and its supply bases have made progress towards achieving their performance production targets for the current financial year. There is no scheme smallholder found within the supply base.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|---|---|----------|-------|------|------|--|--|--|------|------|------|------|------|------|-----------------|---|---|----|----|-----|----|-----------------|-----|-----|-----|-----|---|---|----------|
| 3.1.2 | <p>An annual replanting programme projected for a minimum of five years with yearly review, is available.</p> <p>- Minor compliance -</p> | <p>Replanting Program (2019 -2042) at Hwa Li Estate 1 is available. Next replanting program planned in 2022 to 2036, 2039-2041 to complete 1930 ha. At Hwa Li Estate 2 replanting programme is plan in 2020-2023 followed by 2041 – 2043 to complete 1509 ha.</p> <p>Below is the details of the program:</p> <table border="1"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="6">Ha/yr</th> </tr> <tr> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Hwa Li Estate 1</td> <td>-</td> <td>-</td> <td>80</td> <td>77</td> <td>121</td> <td>80</td> </tr> <tr> <td>Hwa Li Estate 2</td> <td>241</td> <td>197</td> <td>211</td> <td>100</td> <td>0</td> <td>0</td> </tr> </tbody> </table> | Estate | Ha/yr | | | | | | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Hwa Li Estate 1 | - | - | 80 | 77 | 121 | 80 | Hwa Li Estate 2 | 241 | 197 | 211 | 100 | 0 | 0 | Complied |
| Estate | Ha/yr | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | | | | | | | | | | | | | | | | | | | | | | | | |
| Hwa Li Estate 1 | - | - | 80 | 77 | 121 | 80 | | | | | | | | | | | | | | | | | | | | | | | | |
| Hwa Li Estate 2 | 241 | 197 | 211 | 100 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.1.3 | <p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake.</p> <p>- Minor compliance -</p> | <p>Management Review Meeting was collectively held on 05.07.2019 for Carotino Pahang Production Unit (Asia Oil Palm 1, Pahang Oil Palm 1, Maran Estate, Hwa Li Estate 1, Hwa Li Estate 2, Carotino POM). In attendance were the management of each Operating Unit and HQ Sustainability Team (6 representatives). The meeting was held once a year as per Guideline for Internal Auditing and Management Review of the Sustainability and Supply Chain System, Doc. Ref. No.: T/001-03/2018 dated 03.06.2018.</p> <p>The following findings, sixteen (16) Major, two (2) Minor Non-conformities and 8 Opportunity for Improvement from the audit conducted from 24th June to 5th July 2019 for this Carotino Production Unit by HQ Sustainability Auditors were discussed. All findings have been sighted closed on 02 December 2019.</p> | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 3.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| <p>The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.</p> | | | |
| 3.2.1 | <p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Major Compliance -</p> | <p>The continuous improvement plan was available for FY2019/20 at the visited Operating Units. The improvement plan included the elements on</p> <ol style="list-style-type: none"> 1. Reduction in use of pesticide 2. Minimization of Social and Environmental Impacts 3. Training 4. Reduce pollution and emissions, including GHG Road maintenance programme 5. Mature & immature palm (P&D control: spraying and biological control) 6. River water monitoring 7. Waste collection, segregation and recycling 8. Conservation of riparian buffer zone 9. Zero burning practice for land preparation 10. Corporate Social Responsibility project 11. House repair and maintenance | Complied |
| 3.2.2 | <p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p> <p>PROCEDURAL NOTE: The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed. Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting,</p> | <p>It is noted that RSPO has not finalized the RSPO metric template. Communication with RSPO Secretariat was made and noted that the indicator is not applicable until the template is finalized.</p> <p>However, Carotino/JC Chang has internal metrics in place that is similar to RSPO requirements.</p> | Complied |

| | <p>and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|-------|-------------------|--------------|---|---------------------------------|----|---|------------------------|----|---|--|----|---|-----------------------------|----|---|--|----|---|--------------------------------|----|---|----------------------------------|---|---|-------------------|---|---|--------------------------------------|---|---|-----------|---|---|--------------------|---|---|---------------------------|---|---|------------|----|---|------------------|---|---|--------------------------------|----|---|----------|----|---|----------------------------|----|-----------------|
| <p>Criterion 3.3 Operating procedures are Appropriately documented, consistently implemented and monitored.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>3.3.1</p> | <p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Major Compliance -</p> | <p>JC Chang Group has established working documents that include SOPs and Guidelines for use by its estates and mills. They were listed in the Guidelines Register and categorised as follows:</p> <table border="1" data-bbox="922 694 1798 1398"> <thead> <tr> <th>Group</th> <th>Document Category</th> <th>Total titles</th> </tr> </thead> <tbody> <tr><td>A</td><td>Oil Palm Nursery and Replanting</td><td>17</td></tr> <tr><td>B</td><td>Upkeep and Cultivation</td><td>30</td></tr> <tr><td>C</td><td>Soil, Water and Biodiversity Conservation & Management</td><td>28</td></tr> <tr><td>D</td><td>FFB Harvesting and Despatch</td><td>10</td></tr> <tr><td>E</td><td>Legal, Employment, Welfare, Communication & Consultation</td><td>27</td></tr> <tr><td>F</td><td>Waste and Pollution Management</td><td>19</td></tr> <tr><td>G</td><td>Vehicles and Workshop Management</td><td>6</td></tr> <tr><td>H</td><td>Store Management,</td><td>8</td></tr> <tr><td>I</td><td>Building Construction and Management</td><td>1</td></tr> <tr><td>J</td><td>Insurance</td><td>3</td></tr> <tr><td>K</td><td>Buffalo Management</td><td>4</td></tr> <tr><td>L</td><td>Pest & Disease Management</td><td>5</td></tr> <tr><td>M</td><td>OSH Estate</td><td>40</td></tr> <tr><td>N</td><td>Improvement Plan</td><td>9</td></tr> <tr><td>O</td><td>Impact Register and Assessment</td><td>10</td></tr> <tr><td>P</td><td>OSH Mill</td><td>33</td></tr> <tr><td>Q</td><td>SOP Mill and Compost Plant</td><td>93</td></tr> </tbody> </table> | Group | Document Category | Total titles | A | Oil Palm Nursery and Replanting | 17 | B | Upkeep and Cultivation | 30 | C | Soil, Water and Biodiversity Conservation & Management | 28 | D | FFB Harvesting and Despatch | 10 | E | Legal, Employment, Welfare, Communication & Consultation | 27 | F | Waste and Pollution Management | 19 | G | Vehicles and Workshop Management | 6 | H | Store Management, | 8 | I | Building Construction and Management | 1 | J | Insurance | 3 | K | Buffalo Management | 4 | L | Pest & Disease Management | 5 | M | OSH Estate | 40 | N | Improvement Plan | 9 | O | Impact Register and Assessment | 10 | P | OSH Mill | 33 | Q | SOP Mill and Compost Plant | 93 | <p>Complied</p> |
| Group | Document Category | Total titles | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A | Oil Palm Nursery and Replanting | 17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B | Upkeep and Cultivation | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C | Soil, Water and Biodiversity Conservation & Management | 28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| D | FFB Harvesting and Despatch | 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E | Legal, Employment, Welfare, Communication & Consultation | 27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| F | Waste and Pollution Management | 19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| G | Vehicles and Workshop Management | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| H | Store Management, | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I | Building Construction and Management | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| J | Insurance | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| K | Buffalo Management | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| L | Pest & Disease Management | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| M | OSH Estate | 40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N | Improvement Plan | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| O | Impact Register and Assessment | 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P | OSH Mill | 33 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q | SOP Mill and Compost Plant | 93 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|-------|---|---|--------------|--------------|---|---|------|----|---|---------|----|---|-------------|----|--|
| | | <table border="1"> <tr> <td>R</td> <td>Supply Chain</td> <td>3</td> </tr> <tr> <td>S</td> <td>Memo</td> <td>59</td> </tr> <tr> <td>T</td> <td>General</td> <td>10</td> </tr> <tr> <td>U</td> <td>OSH General</td> <td>30</td> </tr> </table> <p>Under each Document Category there are several titles. Each document title has its Document Reference no., Date issued and Version No. and are cross referenced to RSPO MYNI:2019 P&C Indicator Number for ease of locating the required document.</p> | R | Supply Chain | 3 | S | Memo | 59 | T | General | 10 | U | OSH General | 30 | |
| R | Supply Chain | 3 | | | | | | | | | | | | | |
| S | Memo | 59 | | | | | | | | | | | | | |
| T | General | 10 | | | | | | | | | | | | | |
| U | OSH General | 30 | | | | | | | | | | | | | |
| 3.3.2 | <p>A mechanism to check consistent implementation of procedures is in place. - Minor Compliance -</p> | <p>To ensure procedures are always followed the Mechanism to Check Consistent Implementation of SOP Doc Ref No. U/025-01/2015 Effective date 08/09/2015 is used.</p> <p>At the assessed Operating Units of Hwa Li Estate 1, Hwa Li Estate 2 and Carotino Pahang POM the checks were carried out by the respective Supervisory staff. For example, the Field/Mill Supervisor conduct on-site visit to check, Assistant Manager to confirm and Estate/Mill Manager to approve. Any deviation from SOP (even 1 person) shall be recorded at the back of the Form Appendix 1.</p> <p>In spite of the above, found that the competency of Authorised Entrant Stand-by Person (AESP) in charge was not scrutinized. Three persons were appointed as AESP when two persons were not on the list of AESP Competent Person provided. Please refer to PTW issued for Confined Space Entry at Carotino Pahang POM Boiler No. 3, work carried out on 03/12/2019. Hence, a non-critical NCR was issued.</p> | Non-Critical | | | | | | | | | | | | |

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| <p>3.3.3</p> | <p>Records of monitoring and any actions taken are maintained and available. - Minor Compliance -</p> | <p>Records of monitoring and any actions taken is via completing the standard Form in Appendix 1 on weekly basis for the below-named SOP.</p> <p>The respective Mill/Estate Supervisor monitors implementation for 14 mill SOP and 12 estate SOP accordingly. No written warning (only verbal reminder) is given due to the current grief scarcity of workers.</p> <table border="1" data-bbox="960 555 1778 1241"> <thead> <tr> <th colspan="2">Mill</th> <th colspan="2">Estate</th> </tr> <tr> <th>No.</th> <th>SOP Title</th> <th>No.</th> <th>SOP Title</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Weighbridge</td> <td>1</td> <td>Mandore Harvester</td> </tr> <tr> <td>2</td> <td>Grading</td> <td>2</td> <td>Harvester</td> </tr> <tr> <td>3</td> <td>Extraction</td> <td>3</td> <td>Grabber Driver</td> </tr> <tr> <td>4</td> <td>Clarification</td> <td>4</td> <td>FFB Tractor Driver</td> </tr> <tr> <td>5</td> <td>Kernel Plant</td> <td>5</td> <td>Graders at Ramp</td> </tr> <tr> <td>6</td> <td>Nut Plant</td> <td>6</td> <td>Loose Fruit Collector</td> </tr> <tr> <td>6a</td> <td>Biogas Plant</td> <td>7</td> <td>Manuring Applicator</td> </tr> <tr> <td>7</td> <td>CPO Storage</td> <td>8</td> <td>Pesticides Sprayer</td> </tr> <tr> <td>8</td> <td>Despatch</td> <td>9</td> <td>Genset Operation</td> </tr> <tr> <td>9</td> <td>Effluent</td> <td>10</td> <td>WTP Operator</td> </tr> <tr> <td>10</td> <td>Mass balance Calculation</td> <td>11</td> <td>Rat Baiting</td> </tr> <tr> <td>11</td> <td>Mechanism for handling non-conforming FFB</td> <td>12</td> <td>Workshop</td> </tr> <tr> <td>12</td> <td>Record and documentation</td> <td></td> <td></td> </tr> <tr> <td>13</td> <td>Transport Ordering</td> <td></td> <td></td> </tr> <tr> <td>14</td> <td>Outsourcing activity (Transporting</td> <td></td> <td></td> </tr> </tbody> </table> | Mill | | Estate | | No. | SOP Title | No. | SOP Title | 1 | Weighbridge | 1 | Mandore Harvester | 2 | Grading | 2 | Harvester | 3 | Extraction | 3 | Grabber Driver | 4 | Clarification | 4 | FFB Tractor Driver | 5 | Kernel Plant | 5 | Graders at Ramp | 6 | Nut Plant | 6 | Loose Fruit Collector | 6a | Biogas Plant | 7 | Manuring Applicator | 7 | CPO Storage | 8 | Pesticides Sprayer | 8 | Despatch | 9 | Genset Operation | 9 | Effluent | 10 | WTP Operator | 10 | Mass balance Calculation | 11 | Rat Baiting | 11 | Mechanism for handling non-conforming FFB | 12 | Workshop | 12 | Record and documentation | | | 13 | Transport Ordering | | | 14 | Outsourcing activity (Transporting | | | <p>Complied</p> |
|--------------|--|---|-----------------------|--|--------|--|-----|-----------|-----|-----------|---|-------------|---|-------------------|---|---------|---|-----------|---|------------|---|----------------|---|---------------|---|--------------------|---|--------------|---|-----------------|---|-----------|---|-----------------------|----|--------------|---|---------------------|---|-------------|---|--------------------|---|----------|---|------------------|---|----------|----|--------------|----|--------------------------|----|-------------|----|---|----|----------|----|--------------------------|--|--|----|--------------------|--|--|----|------------------------------------|--|--|-----------------|
| Mill | | Estate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| No. | SOP Title | No. | SOP Title | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Weighbridge | 1 | Mandore Harvester | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Grading | 2 | Harvester | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Extraction | 3 | Grabber Driver | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Clarification | 4 | FFB Tractor Driver | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Kernel Plant | 5 | Graders at Ramp | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Nut Plant | 6 | Loose Fruit Collector | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6a | Biogas Plant | 7 | Manuring Applicator | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | CPO Storage | 8 | Pesticides Sprayer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Despatch | 9 | Genset Operation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Effluent | 10 | WTP Operator | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Mass balance Calculation | 11 | Rat Baiting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Mechanism for handling non-conforming FFB | 12 | Workshop | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | Record and documentation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | Transport Ordering | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | Outsourcing activity (Transporting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Criterion 3.4
 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.

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| 3.4.1 | (C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented. - Major Compliance - | There is no new plantings in Carotino Certification Unit. | Complied |
| 3.4.2 | For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders. - Minor Compliance - | Social and Environmental Impact Assessment was conducted by Wild Asia on 14-17/10/2008 with documented report dated 14/1/2009. The assessment conducted was involved site visits, document reviewed and interviewed with the relevant stakeholders such as workers, suppliers, villagers, government authorities and etc. | Complied |
| 3.4.3 | (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way. - Major Compliance - | Annually, each of the estate and mill will review the Environmental and Social Improvement Plan following the meeting/ discussion/ visit with internal and external stakeholder i.e. meeting minutes, visit record, workers survey, etc. It was noted that the Environmental and Social Improvement Plan has been updated on as per SEIA (Doc no: N/009-02/2019 Date 21/11/2019) at Hwa Li 1 Estate & Hwa Li 2 Estate and at Carotino POM. The new action plan were having the section for recruitment, communication & consultation, living plan, living condition, etc. | Complied |
| Criterion 3.5 | | | |
| A system for managing human resources is in place. | | | |
| 3.5.1 | Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable. - Minor Compliance - | Guidelines on procedure of recruitment, selection, hiring, promotion, retirement and termination (Doc No: E020-01/2019) dated 12/08/2019 established. | Complied |
| 3.5.2 | Employment procedures are implemented, and records are maintained. | Based on the employment contract, passport and pay slips reviewed in 6.2.1, the procedure of recruitment was implemented and records are maintained. | Complied |

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| | - Minor Compliance - | | |
| Criterion 3.6 An occupational health and safety (H&S) plan is documented, effectively communicated and implemented. | | | |
| 3.6.1 | (C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. - Major Compliance - | Carotino Pahang Production Unit had identified and reviewed significant hazards, evaluated its risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. Appropriate control measure has been determined and revised in the HIRARC register. HIRARC established at the mill were not limited to the following: <ul style="list-style-type: none"> i. FFB Grading ii. Cages handling iii. Sterilizer operations iv. FFB processing from stripping, oil extraction to storage and CPO dispatch and treatment of by-products/waste v. Oil and effluent water sampling and analysis vi. Maintenance and servicing – pump, press vii. Welding and cutting job viii. Electrical works ix. Boiler house – ash removal from hopper chute, maintenance. Furnace cleaning, clinkers raking activities x. Engine room operation Whereas at the estates, examples include activities or areas such as: <ul style="list-style-type: none"> i. Nursery ii. Spraying CKS; iii. Spraying (Power spray) iv. Harvesting; v. Pruning; | Complied |

| | | <ul style="list-style-type: none"> vi. Manuring; vii. Weeding; viii. Rat baiting and bag worm treatment; ix. FFB loading, collection and transporting; x. Transporting of workers; xi. Workshop operations; xii. Grass cutting xiii. Gate Keeping <p>The date the HIRARC were reviewed at the Operating Units are as follows:</p> <table border="1" data-bbox="976 703 1771 935"> <thead> <tr> <th>Operating Units</th> <th>HIRARC last reviewed</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Hwa Li Estate 1</td> <td>11.11.2019</td> <td>Reviewed through OSHC</td> </tr> <tr> <td>Hwa Li Estate 2</td> <td>07.12.2019</td> <td>Reviewed through OSHC</td> </tr> <tr> <td>Carotino Oil Mill</td> <td>15.12.2019</td> <td>Reviewed through OSHC</td> </tr> </tbody> </table> | Operating Units | HIRARC last reviewed | Remarks | Hwa Li Estate 1 | 11.11.2019 | Reviewed through OSHC | Hwa Li Estate 2 | 07.12.2019 | Reviewed through OSHC | Carotino Oil Mill | 15.12.2019 | Reviewed through OSHC | |
|-------------------|---|--|-----------------|----------------------|---------|-----------------|------------|-----------------------|-----------------|------------|-----------------------|-------------------|------------|-----------------------|--|
| Operating Units | HIRARC last reviewed | Remarks | | | | | | | | | | | | | |
| Hwa Li Estate 1 | 11.11.2019 | Reviewed through OSHC | | | | | | | | | | | | | |
| Hwa Li Estate 2 | 07.12.2019 | Reviewed through OSHC | | | | | | | | | | | | | |
| Carotino Oil Mill | 15.12.2019 | Reviewed through OSHC | | | | | | | | | | | | | |
| 3.6.2 | <p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Major Compliance -</p> | <p>The effectiveness of H&S plan at this Certification Unit is monitored via:</p> <ul style="list-style-type: none"> • Internal Audit conducted by Internal Control Team from Sustainable Unit from 24th June to 5th July 2019. • Compliance to each applicable law and regulation was monitored by the Operating Units and Internal Control Team. • The person responsible for each OSH program is appointed and progress reported, • Audiometric test was conducted for 33 Mill Workers on 01.10.2019. Three (3) were found with STS and retest has been conducted. • 2019 OHS Training was given by all Operating Units visited as much as possible as planned. | Complied | | | | | | | | | | | | |

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| | | The 5 year CHRA Reports at assessed Operating Units were found current and the Medical Surveillance as recommended by the Assessor had been found conducted accordingly. | |
| Criterion 3.7 | | | |
| All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained. | | | |
| 3.7.1 | <p>(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable aspects of the RSPOP&C, in a form they understand, and which includes assessments of training.</p> <p>- Major Compliance -</p> | <p>Formal training program for the year 2019/2020 was published and made available at beginning of each Financial Year and implemented. Training identification and needs analysis were applied to recognize the staff, workers and contractor’s deficient skills or knowledge gaps, particularly, in aspects of RSPO P&C and the Supply Chain Certification System. There is no associated smallholders at this Certification Unit.</p> <p>Following the training given, regular assessment of training was conducted either by the Trainer or their immediate Supervisor to gauge trainees’ understanding. Else, refresher course will be organized.</p> <p>For Pesticide Handlers the emphasis on training is on health and environmental risks of pesticide exposure as well as risk recognition of acute and long-term exposure symptom. .</p> <p>With regards to RSPO P&C Awareness, a joint training session was held by Carotino Pahang Production Unit for its Operating Units - Hwa Li Estate 1, Hwa Li Estate 2, Pahang Oil Palm Estate, Asia Oil Palm Estate, Maran Oil Palm Estate held Pahang Oil Palm Estate Conference Room on 09.08.2019.</p> | Complied |
| 3.7.2 | <p>Records of training are maintained.</p> <p>- Minor Compliance -</p> | <p>Training records were observed updated and maintained. In general, the identified trainings covered the aspects of safety, environment, best practices and social.</p> <p>Sampled a few of the following training records at the respective assessed operating units, FY 2019/20:</p> | Complied |

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| No. | Course name | Date | No. of Attendees |
|--------------------------------------|--|----------|-----------------------------|
| Hwa Li Oil Palm Estate Div. 1 | | | |
| 1 | Safe & Standard Operating Procedure Water Treatment Plant | 17.07.19 | 2 Operators |
| 2 | Safe & Standard Operating Procedure Harvesting, Traceability, PPE | 20.07.19 | 16 Harvesters |
| | | 20.08.18 | 6 Harvesters |
| | | 25.12.19 | 4 Harvesters |
| 3 | Safe & Standard Operating Procedure Security seals / FFB Despatch | 23.07.19 | 1 Weighbridge Clerk |
| 4 | Safe & Standard Operating Procedure Schedule Waste | 06.08.19 | 2 MA/Store |
| | | 30.12.19 | Foreman/Attendant3 |
| Hwa Li Oil Palm Estate Div. 2 | | | |
| 1 | Safe & Standard Operating Procedure Manuring, Buffer zone Awareness, & PPE | 14.01.19 | 20 Manurers |
| | | 17.07.19 | 13 Manurers |
| 2 | Safe & Standard Operating Procedure Weeding, PPE | 23.03.19 | 18 Weeders |
| | | 25.07.19 | 11 Weeders |
| 3 | Safe & Standard Operating Procedure Ramp BTS & PPE | 26.08.19 | 6 Ramp Attendant |
| 4 | HCV Awareness | 27.08.19 | All |
| Carotino Palm Oil Mill Pahang | | | |
| 1 | RSPO MYNI:2019 Awareness | 09.08.19 | 22 Executive and Staff |
| 2 | Chemical Handling & Safety Data Sheet | 18.10.19 | 14 Lab staff / Store keeper |
| 3 | Safe & Standard Operating Procedure Sterilizer & PPE | 17.10.19 | 7 Sterilizer Operators |

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| | | 4 | Safe & Standard Operating Procedure Effluent Treatment Plant & PPE | 25.07.19 | 3 ETP Operators | |
| | | 5 | Fire evacuation drill | 17.08.19 | All | |
| 3.7.3 | Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed. - Minor Compliance - | Carotino Palm Oil Mill SCCS training including Traceability were conducted on 27.09.2019 and 23.12.2019 for all FFB Graders, Weighbridge Clerk, Security staff and Mill Executives. | | | | Complied |
| Criterion 3.8 | | | | | | |
| Supply chain requirement for mills (note: all supply chain requirements are considered as critical (C). However it will not contribute to suspension if there is more than 5 non-compliance within a principle) | | | | | | |
| 3.8.1 | Definition Identity Preserved Mill D.1: A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill processes certified and uncertified FFB without physically separating them, then only Module E is applicable. | Carotino Palm Oil Mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products. | | | | Complied |
| 3.8.2 | Definition Mass Balance Mill E.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the | Not applicable | | | | Not applicable |

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| | <p>mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply 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>3.8.3</p> | <p>Explanation (Volume and product integrity) – D.2, E.2 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products shall be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report. The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform).</p> | <p>The parent company (JC Chang Group) is the member of RSPO. Membership No.: 2-0029-06-000-00 since 5/3/2010. Palmtrace member ID: RSPO_PO1000000128 (Carotino Sdn Bhd).</p> | <p>Complied</p> |

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| <p>3.8.4</p> | <p>Documented procedures – 5.3.1, D.3, E.3</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <p>Complete and up-to-date procedures covering the implementation of all the elements of the supply chain model requirements.</p> <ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organisation’s procedures for the implementation of this standard. • The site shall have documented procedures for receiving and processing certified and non-certified FFBs. | <p>Written documented procedures, Sustainable Mill SOP, for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. The IP model is used because only certified FFB from own supply base is received and processed at Carotino Palm Oil Mill.</p> <p>Among the established SOP are:</p> <ul style="list-style-type: none"> i) CCP/01-05/2019 (SOP at Reception Station) dated 15/07/2019. ii) CCP/08-07/2019 (SOP at dispatch CPO & PK), dated 15/07/2019. iii) SCC/10-05/2019-CPOM (SOP for RSPO SCC standard products calculation, dated 01/07/2019) iv) Mechanism For Handling Non-Conforming FFB, CCP11-04/2019 dated 16/07/2019 v) SOP for reporting and documentation, CCP/12-43/2018. dated 10/07/2019. <p>The mill manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. Based on interview with the mill manager, he was able to explain and demonstrate the implementation of the company’s supply chain procedures. Sighted the appointment letter as sustainability operation manager to Mill Manager of Carotino POM (Kenny Alvin Ligunjang) dated 07/07/2014.</p> <p>Carotino Palm Oil mill has documented procedures (as mentioned above for the incoming FFB, processing and outgoing palm products (CPO and PK).</p> | <p>Complied</p> |
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| <p>3.8.5</p> | <p>Internal Audit – 5.3.2 The site shall have a written procedure to conduct annual internal audit to determine whether the organisation; Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <hr/> <p>Effectively implements and maintains the standard requirements within its organisation.</p> <hr/> <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The organisation shall be able to maintain the internal audit records and reports.</p> | <p>Ref.: Guideline for Internal Auditing of the Sustainability System, T/001-03/2018, dated 3/6/2018. The procedure consists of the following elements:</p> <ul style="list-style-type: none"> • Procedure details – responsibility of internal lead auditor, frequency, sampling, reporting, handling of non-conformities (issuing and closing), records keeping • Frequency of Internal Audit to be conducted is on a planned basis over the course of a year. <p>The latest internal audit has been conducted on 25-26/06/2019 by Mr. Seow Chee Chiang, Ms. Hasni Asis, Mr. Carl’s Ewis Julius, Mr. Edwerd Berian @ Florian and Ms Hasirah Tahir and 9 Major NC and 1 OFI for bioth RSPO & MSPO SCCS while 6 Major NC and 1 OFI for RSPO SCCS. All NCs were closed effectively while 1 major NC and 1 OFI were still open where the due date for NC closure is on the next Internal Audit planned in April 2020.</p> <p>The Guideline for Internal Auditing and Management Review Of the Sustainability and Supply Chain System (Doc No: T/001-03/2018) Audit Procedures & Management Review dated 03/06/2018.The management review should be performed annually at planned intervals which at appropriate scale and nature of Group activities. The latest management review for CPU’s Internal Control Audit Finding dated 05/07/2019. The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO SCC • Customer feedback. No special stakeholder or customer feedback and complaint reported at the time of audit. • Crop traceability – the implementation of supply chain system vary against the sustainability flowchart and not highlighted the certification system requirement. • Law – purchase of Diesel and Petrol other than supplier registered in the license Control of Supplies Act. • Continuous Improvement Plan • GAP & GMP | <p>Complied</p> |
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| | | <ul style="list-style-type: none"> • OSH • Environmental • Training • Social • Result of internal/external audit • New technology and information | |
| 3.8.6 | <p>Purchasing Goods In – 5.4, D.4.1/ D.4.2, E.4.1/E.4.2</p> <p>The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBS received.</p> <p>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>The site shall have a mechanism in place for handling non- conforming oil palm products and/or documents.</p> | <p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Carotino mill have system to verify at the weighbridge.</p> <p>When FFB delivered to the mill from the estates, the transporters presented Delivery Order (DO) and in some cases, estate’s weighbridge tickets to the mill weighbridge clerk in order the FFB to be received by the mill. E.g. of information available in the dispatch tickets is as follows:</p> <p>The receiving slip sighted as below:</p> <ol style="list-style-type: none"> 1. Seller: Asia Oil Palm Estate 1 Ticket no: FFB20000115W Date: 06/01/2020 Lorry: VCD 3607 DO no: 137162 FFB delivery note: 137162 Product: FFB/IP RSPO cert: RSPO 649410 Expiry date: 26/04/2020 2. Seller: Maran Estate Ticket no: FFB20000100W Date: 05/01/2020 Lorry: WA699P DO no: 30496 | Complied |

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| | | <p>FFB despatch note: ticket noL FFB20000020W Product: FFB/IP RSPO cert: RSPO 649410 Expiry date: 26/04/2020</p> <p>There was no overproduction projected. Nonetheless, the facility is aware to this requirement as per mechanism For Handling Non-Conforming FFB, CCP11-04/2019 dated 16/07/2019.</p> | |
| 3.8.7 | <p>Outsourcing Activities – 5.5</p> <p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organisation (not the tank farm manager).</p> | Not applicable. No outsourced activity for processing. | Not applicable |
| | <p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ul style="list-style-type: none"> a) The site has legal ownership of all input material to be included in outsourced processes; b) The site has an agreement or contract covering the outsourced process with each contractor through a | Not applicable. No outsourced activity for processing. | Not applicable |

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| | <p>signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.</p> | | |
| | The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products. | Not applicable. No outsourced activity for processing. | Not applicable |
| | The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products. | Not applicable. No outsourced activity for processing. | Not applicable |
| 3.8.8 | <p>Record keeping – 5.9</p> <p>The organisation shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.</p> | All the sampled records related to the movements of RSPO certified materials and products were found to be accurate, complete, up-to-date and accessible. | Complied |

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| | <p>Retention times for all records and reports shall be a minimum of two(2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</p> | <p>The mill maintained its records related to supply chain for at least 7 years as per RSPO SCC Standard Products Calculation, Doc Ref No: SCC/10-05/2019-CPOM.</p> <p>Sampled: CPO and PK weighbridge tickets and despatch note as below:</p> <ol style="list-style-type: none"> 1. Receiving slip ticket no: FFB130114745W dated 29/11/2013, FFBm year planting 1989-760 bunches and 1991-225 bunches. All records/documents were still in place. 2. Despatch slip from Carotino POM to Sang Kee Edible Oils Sdn Bhd, ticket no: PK13000067W dated 30/05/2013 Palm Kernel, contract CA2642 quantity 100 MT. | <p>Complied</p> |
| | <p>The organisation shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</p> | <p>NA – product of the CPO mill is containing 100% palm oil.</p> | <p>Not applicable</p> |
| | <p>D.5.1 – The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. Or 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 real-time basis and/or three-monthly basis. b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting</p> | <p>Records and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK recorded under Sustainability Products (CPO and PK) for each quarter. Based on latest balance sheet closing December 2019, CPO is positive.</p> <p>Closing stock for May 2019 is negative recorded at – 61.33 mt. Thus, critical NC was raised.</p> | <p>Critical</p> |

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| | <p>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 (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)</p> | | |
| 3.8.9 | <p>Conversion Factors – 5.10</p> <p>Where applicable, a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organisations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org)</p> | Conversion factor of CPO and PK production is based on the actual OER and KER. | Complied |
| | <p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p> | Conversion factor of CPO and PK production is based on the actual OER and KER. | Complied |
| 3.8.10 | <p>Processing – D.6</p> <p>The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation.</p> | Based on verification of FFB receipt records, it was confirmed that only certified source of FFB from own plantation were processed. Therefore, there was no mixing of non-certified FFB in production of CPO and PK. Processing and storage records can be traced back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records and FFB dispatch chit. This to strive for 100% separation. | Complied |
| 3.8.11 | <p>Sales and goods out – 5.6</p> | <p><u>CPO sales</u></p> <ul style="list-style-type: none"> The name and address of the seller – Carotino POM | Complied |

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| | <p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number. • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. | <ul style="list-style-type: none"> • The loading or shipment / delivery date – December 2019 • The date on which the documents were issued – 14/11/19, CA-CSPO/3265/12/19 • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations) – CSPO IP • The quantity of the products delivered – 40.11 mt • Any related transport documentation – Sales contract (CA-CSPO/3265/12/19), weighbridge ticket (18912CPO19000773W), dated 15/12/19 Lorry no. CCX6569, weight: 40.11 mt • Supply chain certificate number of the seller – RSPO 649410 • A unique identification number - TR-344b676b-7dcc <p><u>PK Sales</u></p> <ul style="list-style-type: none"> • The name and address of the seller – Carotino POM • The loading or shipment / delivery date – October 2019 • The date on which the documents were issued – 24/10/19 • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations) – • The quantity of the products delivered – 32.70 mt • Any related transport documentation – Sales contract (CA2843), weighbridge ticket (PK19000160W), dated 24/10/19 Lorry no. BFG9108, weight: 32.7 mt • Supply chain certificate number of the seller – RSPO 649410 | |
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| | | <ul style="list-style-type: none"> • A unique identification number - TR-52dc4e38-b588 • Confirmation and announcement in RSPO IT platform is by contract / group of shipment not by each individual lorry. | |
| 3.8.12 | <p>Registration of Transactions – 5.7</p> <p>Supply chain actors who:</p> <ul style="list-style-type: none"> • Are mills, traders, crushers and refineries; and • Take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. | <p>The registration of Palm Trace is carried out by Carotino Sdn Bhd, Pasir Gudang, Johor. All transaction will be registered in the Palm Trace</p> | Complied |
| | <p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <p>Shipping Announcement/Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure2 and 3, refer Annex 1) shall be registered as a Shipping Announcement/Announcement in the RSPO IT Platform. time to do Shipping Announcement/Announcement is based on members' own standard operating procedures.</p> <p>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</p> | <p>Based on the announcement summary, all the registrations were found to be in order. Detail of transaction can be found under Supply Chain Declaration Table A.</p> | Complied |

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| | Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements/Announcements. | | |
| 3.8.13 | Claims – 5.11 The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims. | No claims or usage of trade logo in the product of CPO and PK. | Complied |
| Principle 4: Respect community and human rights and deliver benefits | | | |
| Criterion 4.1 | | | |
| The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders. | | | |
| 4.1.1 | (C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces. - Major compliance - | The company has established a JC Chang Group has established Social and Human Rights Policy dated 14/11/2019 signed by the Mill Director for the mill and by Plantation Director for the estates. The policy was communicated to all workers on 25/12/2019 in Hwa Li 1 Estate, 16/11/2019 in Hwa Li 2 Estate and 01/12/2019 in Carotino POM. Stakeholder’s visit conducted on 20/10/2019, 23/11/2019, 18 & 20/11/2019 and 27-28/12/2019 in Hwa Li 1 Estate and on 29/10/2019, 26/11/2019, 27/11/2019, 30/11/2019 and 02/12/2019 at Hwa Li 2 Estate and 13/07/2019 at Carotino POM. It was attended by internal, external stakeholders with the participation of estates and regional controller as well as website: www.carotino.com | Complied |
| 4.1.2 | The unit of certification does not instigate violence or use any form of harassment in their operations. - Minor compliance - | Among the commitment of JC Chang group as per Social and Human Rights Policy are: <ul style="list-style-type: none"> • Commitment to the ILO, Malaysia | Complied |

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| | | <ul style="list-style-type: none"> • Comply with labour laws and relevant regulations • Prohibiting retaliation against Human Rights Defenders, complainant, community spokespersons and whistleblowers. • Decent Living Wage (DLW) is paid to all workers by phase, including those on achievable piece rate during regular working hours. <p>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 has been briefed to the employees during the induction training prior to work and during the muster call. In Hwa Li 1 Estate, sighted the briefing has been conducted by phases on 24/12/2019 (2 drivers), 30/12/2019 (3 people) and 03/08/2019 (9 people). In Hwa Li 2 Estate, the sexual harassment briefing was conducted on 15/04/2019 to all 99 workers while in Carotino POM 13/07/2019.</p> | |
| <p>Criterion 4.2</p> | | | |
| <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p> | | | |
| <p>4.2.1</p> | <p>(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD. - Major compliance -</p> | <p>The system was based on SOP Mechanism for Complaints and Grievances; Doc. Ref. No.: E/001-07/20179; Doc. date: 12/08/2019 which found effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to affected parties including internal and external stakeholders.</p> <p>The management should ensure the identity of complainants, human right defender, community spokespersons and whistleblowers would not be revealed unless it is legally impossible to do so or with his/her consent and permission. The complainants, human right defender, community spokespersons and whistleblowers will be treated fairly and given whatever protection is possible, without risk of reprisal or intimidation. So far, no complaint received in estate since 2017 in Hwa Li 2 Estate.</p> | <p>Complied</p> |

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| 4.2.2 | Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. - Minor compliance - | The briefing of the SOP was conducted on 06/10/2019 (129 people) at Hwa Li 1 Estate, on 26/08/2019 (114 people) at Hwa Li 2 Estate by Assistant Manager and on 21/10/2019, 01/11/2019, 26/11/2019, 28/11/2019, and 10/12/2019 at Carotino POM by Senior Assistant Manager. | Complied |
| 4.2.3 | The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. - Minor compliance - | There is grievance procedure for stakeholder is established from step to step with the limit of 27 days. The relevant management personnel may extend due to extenuating circumstances or with justifiable reasons time limit. So far, no complaint received from internal and external except for housing maintenance. Others are request from workers to the management. | Complied |
| 4.2.4 | The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. - Minor compliance - | The complaint and grievance resolution has includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. | Complied |
| <p>Criterion 4.3 The unit of Certification contributes to local sustainable development as agreed by local communities.</p> | | | |
| 4.3.1 | Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance - | The managements have made contribution to the society such as donation as below: Hwa Li 1 Estate: <ul style="list-style-type: none"> a. SK Chenderawasih – RM 300 on 20/11/2019. b. Hari Raya Haji (chicken for employees) RM 2657.95 on 20/08/2019. c. Education Aid (RM200 for primary school & RM300 for secondary school) for employees. d. Transportation aid for school children RM 3800.00 for both primary and secondary school. | Complied |

| | | <p>Hwa Li 2 Estate:</p> <ul style="list-style-type: none"> e. Transportation aid for school children RM 3500.00 for both primary and secondary school. f. Labour Welfare for new worker arrival: RM3643 on 21/09/2019. g. Sports & recreation day for workers RM 3500.00 on 15/05/2018. <p>Carotino POM:</p> <ul style="list-style-type: none"> a. Transportation aid for school children RM 3840.00 for both primary and secondary school. b. Hari Raya Haji (chicken for employees) RM 1564.00 on 16/08/2019. c. Sponsor of sports day fund & activities RM 1000 for SJK Pei Min on 30/04/2019. | | | | | | | | | | | | | | | | | | | | |
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| <p>Criterion 4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p> | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.4.1</p> | <p>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available. - Major compliance -</p> | <p>No FPIC process within Carotino production unit. Documents related to the history of land tenure and the actual legal or customary use of the land are available for verification.</p> <table border="1" data-bbox="925 1034 1818 1382"> <thead> <tr> <th>Land title</th> <th>Land tenure</th> <th>State/District/ PT no.</th> <th>Legal use of land</th> </tr> </thead> <tbody> <tr> <td>Estate: Hwa Li 1</td> <td>Lease hold</td> <td>i) Pahang/ Rompin/PT 51</td> <td rowspan="2">Agriculture</td> </tr> <tr> <td>Holds 13 leasehold land titles. Sample land titles checked;</td> <td>i) 99 years, ended on 26/12/2068</td> <td>(Mukim Keratong)</td> </tr> <tr> <td>i) H.S(D)1450</td> <td>ii) 99 years, ended on 26/12/2068</td> <td>ii) Pahang/ Rompin/PT 53</td> <td></td> </tr> <tr> <td>ii) H.S(D)1452</td> <td></td> <td>(Mukim Keratong)</td> <td></td> </tr> </tbody> </table> | Land title | Land tenure | State/District/ PT no. | Legal use of land | Estate: Hwa Li 1 | Lease hold | i) Pahang/ Rompin/PT 51 | Agriculture | Holds 13 leasehold land titles. Sample land titles checked; | i) 99 years, ended on 26/12/2068 | (Mukim Keratong) | i) H.S(D)1450 | ii) 99 years, ended on 26/12/2068 | ii) Pahang/ Rompin/PT 53 | | ii) H.S(D)1452 | | (Mukim Keratong) | | <p>Complied</p> |
| Land title | Land tenure | State/District/ PT no. | Legal use of land | | | | | | | | | | | | | | | | | | | |
| Estate: Hwa Li 1 | Lease hold | i) Pahang/ Rompin/PT 51 | Agriculture | | | | | | | | | | | | | | | | | | | |
| Holds 13 leasehold land titles. Sample land titles checked; | i) 99 years, ended on 26/12/2068 | (Mukim Keratong) | | | | | | | | | | | | | | | | | | | | |
| i) H.S(D)1450 | ii) 99 years, ended on 26/12/2068 | ii) Pahang/ Rompin/PT 53 | | | | | | | | | | | | | | | | | | | | |
| ii) H.S(D)1452 | | (Mukim Keratong) | | | | | | | | | | | | | | | | | | | | |

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| | | Estate: Hwa Li 2 Hold 1 leasehold land title. H.S(D)2850 | Lease hold 99 years, ended on 13/5/2086 | Pahang/ Bera/PT 2389 (Mukim Bera) | Agriculture (only for oil palm cultivation) | |
| 4.4.2 | Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include: | There is no land dispute in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. Company has the FPIC Procedure in Doc Ref No: E/004-08/2019 dated 12-08-2019 as well as referring to Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Doc Ref No: E/002-05/2019 dated 12-08-2019. | | | | Complied |
| 4.4.2a | Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making. - Minor compliance - | | | | | Complied |
| 4.4.2b | Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. - Minor compliance - | | | | | Complied |
| 4.4.2c | Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land. - Minor compliance - | There is no land dispute in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | | | | Complied |

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| 4.4.3 | <p>(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p> | No customary rights land are developed through participatory mapping involving affected parties (including neighbouring communities and relevant authorities) within Carotino Production Unit. | Complied |
| 4.4.4 | <p>All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance -</p> | There is no land dispute in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| 4.4.5 | <p>(C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.</p> <p>- Major compliance -</p> | There is no land dispute in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| 4.4.6 | <p>There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.</p> <p>- Minor compliance -</p> | There is no land dispute in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| <p>Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p> | | | |
| 4.5.1 | <p>(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.</p> <p>- Major compliance -</p> | No new planting activities at Carotino POM and supply bases. | Not applicable |

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| 4.5.2 | <p>(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.</p> <p>- Major compliance -</p> | No new planting activities at Carotino POM and supply bases. | Not applicable |
| 4.5.3 | <p>Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p> <p>- Minor compliance -</p> | No new planting activities at Carotino POM and supply bases. | Not applicable |
| 4.5.4 | <p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>- Minor compliance -</p> | No new planting activities at Carotino POM and supply bases. | Not applicable |
| 4.5.5 | <p>Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the</p> | No new planting activities at Carotino POM and supply bases. | Not applicable |

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| | project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance - | | |
| 4.5.6 | Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance - | No new planting activities at Carotino POM and supply bases. | Not applicable |
| 4.5.7 | New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations. - Minor compliance - | No new planting activities at Carotino POM and supply bases. | Not applicable |
| 4.5.8 | (C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Major compliance - | No new planting activities at Carotino POM and supply bases. | Not applicable |
| Criterion 4.6 | | | |
| 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. | | | |
| 4.6.1 | (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Major compliance - | There is no land dispute in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| 4.6.2 | (C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) | Company has the FPIC Procedure in Doc Ref No: E/004-08/2019 dated 12-08-2019 as well as referring to Guideline for Identifying Legal and Customary | Complied |

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| | is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Major compliance - | Rights and Identifying People Entitled to Compensation Doc Ref No: E/002-05/2019 dated 12-08-2019. | |
| 4.6.3 | Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance - | There is no customary in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| 4.6.4 | The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance - | There is no customary in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| Criterion 4.7 | | | |
| Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements. | | | |
| 4.7.1 | (C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Major compliance - | There is no customary in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| 4.7.2 | (C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties. - Major compliance - | There is no customary in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| 4.7.3 | Communities that have lost access and rights to land for plantation expansion are given opportunities including | There is no customary in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |

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| | employment and supply contracts to benefit from plantation development. - Minor compliance - | | |
| Criterion 4.8 | | | |
| The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights. | | | |
| 4.8.1 | Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance - | There is no customary in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| 4.8.2 | (C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms. - Major compliance - | There is no customary in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| 4.8.3 | Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4) - Minor compliance - | There is no customary in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |

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| 4.8.4 | For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance - | There is no customary in the CPOM complex at the time of audit. The land belongs to JC Chang and land ownership documents verified. | Complied |
| Principle 5: Support smallholder inclusion | | | |
| Criterion 5.1 | | | |
| The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses. | | | |
| 5.1.1 | Current and previous period prices paid for FFB are publicly available and accessible by smallholders. - Minor compliance - | No 3 rd party and smallholder under Carotino POM supply base. Thus, this indicator is not applicable. | Not applicable |
| 5.1.2 | (C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request). - Major compliance - | No 3 rd party and smallholder under Carotino POM supply base. Thus, this indicator is not applicable. | Not applicable |
| 5.1.3 | (C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented. - Major compliance - | No 3 rd party and smallholder under Carotino POM supply base. Thus, this indicator is not applicable. | Not applicable |
| 5.1.4 | (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price | No 3 rd party and smallholder under Carotino POM supply base. Thus, this indicator is not applicable. | Not applicable |

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| | <p>reductions for replanting and or other support mechanisms where applicable.</p> <p>- Major compliance -</p> | | | | | | | | | | | | | | |
|----------------------|--|---|------------|-----------------|-----------------|--------|----------------------|--|-----------------------------|----------|----------------------|--|------------------|----------|----------|
| 5.1.5 | <p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p> | <p>Contract is available for long term and shot term contract of service for mill and estate. Below are the sample of contracts checked:</p> <table border="1"> <thead> <tr> <th>Contractor</th> <th>Job scope</th> <th>Contract period</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>Eng Lee Sing Sdn Bhd</td> <td>External transporter, agreement no. HL1/AGR/01-2019/2020</td> <td>1/7/19 – 30/6/20</td> <td>Hwa Li 1</td> </tr> <tr> <td>Eng Lee Sing Sdn Bhd</td> <td>External transporter, agreement no. HL2/FFB/FY20 19/2020</td> <td>1/7/19 – 30/6/20</td> <td>Hwa Li 2</td> </tr> </tbody> </table> | Contractor | Job scope | Contract period | Estate | Eng Lee Sing Sdn Bhd | External transporter, agreement no. HL1/AGR/01-2019/2020 | 1/7/19 – 30/6/20 | Hwa Li 1 | Eng Lee Sing Sdn Bhd | External transporter, agreement no. HL2/FFB/FY20 19/2020 | 1/7/19 – 30/6/20 | Hwa Li 2 | Complied |
| Contractor | Job scope | Contract period | Estate | | | | | | | | | | | | |
| Eng Lee Sing Sdn Bhd | External transporter, agreement no. HL1/AGR/01-2019/2020 | 1/7/19 – 30/6/20 | Hwa Li 1 | | | | | | | | | | | | |
| Eng Lee Sing Sdn Bhd | External transporter, agreement no. HL2/FFB/FY20 19/2020 | 1/7/19 – 30/6/20 | Hwa Li 2 | | | | | | | | | | | | |
| 5.1.6 | <p>(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p> <p>- Major compliance -</p> | <p>Agreed payment are made in timely manner and receipts specifying details and amount paid are given. Summary of payment made to the contractor as per the following:</p> <table border="1"> <thead> <tr> <th>Contractor</th> <th>Payment details</th> <th>Remarks</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>Eng Lee Sing Sdn Bhd</td> <td>Payment for November 2019, date invoice 10/12/19, date</td> <td>Bank reference, OR.1268 IBG</td> <td>Hwa Li 1</td> </tr> </tbody> </table> | Contractor | Payment details | Remarks | Estate | Eng Lee Sing Sdn Bhd | Payment for November 2019, date invoice 10/12/19, date | Bank reference, OR.1268 IBG | Hwa Li 1 | Complied | | | | |
| Contractor | Payment details | Remarks | Estate | | | | | | | | | | | | |
| Eng Lee Sing Sdn Bhd | Payment for November 2019, date invoice 10/12/19, date | Bank reference, OR.1268 IBG | Hwa Li 1 | | | | | | | | | | | | |

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| | | | of payment 31/12/19 | | | | | | | | | | | | | | | | | | | |
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| | | Eng Lee Sing Sdn Bhd | Payment for October 2019, date invoice 31/10/19, date of payment 21/11/19 | Bank reference, OR.1246 IBG, MBB012789 | Hwa Li 2 | | | | | | | | | | | | | | | | | |
| 5.1.7 | <p>Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government).</p> <p>- Minor compliance -</p> | <p>Records of weighing equipment stamping was maintained on annual basis at visited operating units. Summary of stamping records as follows:</p> <table border="1"> <thead> <tr> <th>Weighing equipment</th> <th>Model/capacity</th> <th>Date of stamping, certificate no.</th> <th>Operating Unit</th> </tr> </thead> <tbody> <tr> <td>Weighbridge UMC 600 ADAC</td> <td>MPK (E), serial no. A44609, 60,0000 kg</td> <td>20/2/19, OKU-ATK 00536</td> <td>Hwa Li Estate 1</td> </tr> <tr> <td>Weighbridge ZM 305</td> <td>MPK (E), serial no. 150250443, 60,000 kg</td> <td>20/2/19, CKU-ATK 005537</td> <td>Hwa Li Estate 2</td> </tr> <tr> <td>Weighbridge T/kenderaan (E)</td> <td>T/kenderaan (E), serial no. 164950031, 60,000 kg</td> <td>CTE.ATK 033133</td> <td>Carotino POM</td> </tr> </tbody> </table> | | | | Weighing equipment | Model/capacity | Date of stamping, certificate no. | Operating Unit | Weighbridge UMC 600 ADAC | MPK (E), serial no. A44609, 60,0000 kg | 20/2/19, OKU-ATK 00536 | Hwa Li Estate 1 | Weighbridge ZM 305 | MPK (E), serial no. 150250443, 60,000 kg | 20/2/19, CKU-ATK 005537 | Hwa Li Estate 2 | Weighbridge T/kenderaan (E) | T/kenderaan (E), serial no. 164950031, 60,000 kg | CTE.ATK 033133 | Carotino POM | Complied |
| Weighing equipment | Model/capacity | Date of stamping, certificate no. | Operating Unit | | | | | | | | | | | | | | | | | | | |
| Weighbridge UMC 600 ADAC | MPK (E), serial no. A44609, 60,0000 kg | 20/2/19, OKU-ATK 00536 | Hwa Li Estate 1 | | | | | | | | | | | | | | | | | | | |
| Weighbridge ZM 305 | MPK (E), serial no. 150250443, 60,000 kg | 20/2/19, CKU-ATK 005537 | Hwa Li Estate 2 | | | | | | | | | | | | | | | | | | | |
| Weighbridge T/kenderaan (E) | T/kenderaan (E), serial no. 164950031, 60,000 kg | CTE.ATK 033133 | Carotino POM | | | | | | | | | | | | | | | | | | | |

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| 5.1.8 | The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. - Minor compliance - | No independent smallholders within Carotino Production Unit. | Not applicable |
| 5.1.9 | (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner. - Major compliance - | No independent smallholders within Carotino Production Unit. | Not applicable |
| Criterion 5.2 The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains. | | | |
| 5.2.1 | The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification. - Minor compliance - | There is no smallholders send FFB to Carotino POM as its only use IP. | Not applicable |
| 5.2.2 | The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS). - Minor compliance - | There is no smallholders send FFB to Carotino POM as its only use IP. | Not applicable |

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| 5.2.3 | Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance - | No independent smallholders within Carotino Production Unit. | Not applicable |
| 5.2.4 | (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Major compliance - | No independent smallholders within Carotino Production Unit. | Not applicable |
| 5.2.5 | The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance - | No independent smallholders within Carotino Production Unit. | Not applicable |
| Principle 6: Respect workers' rights and conditions | | | |
| Criterion 6.1: Any form of discrimination is prohibited. | | | |
| 6.1.1 | (C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. - Major compliance - | JC Chang Group has established Equal Opportunities Policy dated 12/8/2019 signed by the Mill Director for the mill and by Plantation Director for the estates. All the employees will be given equal opportunities to participate in relevant development programs regardless of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. 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. In Hwa Li 1 Estate, the policy was communicated on 07/10/2019 while in Hwa Li 2 Estate, the policy was communicated on 19/08/2019 to all workers. In Carotino POM, the policy was communicated to all workers on 04/09/2019. | Complied |

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| <p>6.1.2</p> | <p>(C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers. - Major compliance -</p> | <p>No discrimination against on the benefits and job descriptions based on races, gender, caste, national origin and etc. All are treated equal and fair. They have the same basic daily wages, similar allowance given, same working hours and etc.</p> <p>As per Guidelines on procedure or system of recruitment, selection, hiring, promotion, retirement and termination (Doc no: E020-01/2019 dated 12/08/2019), the following is not allowed:</p> <ol style="list-style-type: none"> 1. Retention of identity documents or passports (except for administration purposes including legalization and renewal processes). 2. Charging the workers for recruitment fees. 3. Involuntary overtime. 4. Debt bondage. 5. Withholding of wages. | <p>Complied</p> |
| <p>6.1.3</p> | <p>The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available. - Minor compliance -</p> | <p>The company has established a JC Chang Group has established Social and Human Rights Policy dated 14/11/2019 signed by the Mill Director for the mill and by Plantation Director for the estates which publicly available indicates that no discrimination being practice.</p> <p>Through interviewed with few workers, they understand about the equal opportunities and they explained that there is no discrimination happened on job distribution, benefits, wages and etc.</p> <p>Sighted the employment contract for workers also mentioned the job scope offers based on skills of harvesting, spraying or do general work and fit with medical check-up.</p> | <p>Complied</p> |
| <p>6.1.4</p> | <p>Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally</p> | <p>Pregnancy test conducted only to ensure that the female workers will not work with hazardous chemical and if they found pregnant, light or suitable works would be offered.</p> | <p>Complied</p> |

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| | <p>mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>- Minor compliance -</p> | <p><u>Hwa Li 1 Estate</u> There is one pregnancy test conducted at Hwa Li 1 Estate to Azizah on 16/10/2019 since she will do the rat baiting programme which handle the chemical for precaution action. The result is negative and found Azizah can do the rat baiting programme. She is the general workers who do the loose fruit picker job.</p> <p><u>Hwa Li 2 Estate</u> There is one ex-storekeeper last year (13/07/2019) has been test with pregnancy test since she worked in chemical store. However, the result is negative and she is single.</p> <p><u>Carotino POM</u> There were 2 female workers were tested the pregnancy test on 29 July 2019 and the result is negative.</p> | |
| <p>6.1.5</p> | <p>(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>- Major compliance -</p> | <p>The managements have established a Gender Committee from female workers. Meeting was conducted as following: Hwa Li 1 Estate: Minit Mesyuarat Jawatankuasa Hal Ehwal Wanita on 26/12/2019 and 10/06/2019. Hwa Li 2 Estate: Minit Mesyuarat Jawatankuasa Komuniti Wanita Ladang Hwa Li Estate Division 2 on 11/09/2019 and 15/05/2019. Carotino POM: Minit Mesyuarat Jawatankuasa Komuniti Wanita on 18/12/2019 and 26/06/2019.</p> <p>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.</p> | <p>Complied</p> |
| <p>6.1.6</p> | <p>There is evidence of equal pay for the same work scope.</p> <p>- Minor compliance -</p> | <p>The workers with same work scope was having the same pay rate as per MAPA/NUPW rate in 6.2.1 sampled.</p> | <p>Complied</p> |
| <p>Criterion 6.2</p> | | | |

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| Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW). | | | |
| 6.2.1 | <p>(C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.</p> <p>- Major compliance -</p> | <p>Documents of pay and conditions sighted available in English and handed over to worker. Samples sighted for December, November and May 2019 as following samples:</p> <p><u>Hwa Li 1 Estate</u></p> <ol style="list-style-type: none"> 1. Worker id: HE100350 – Azizah A/P Kereseng 2. Worker id: HE100305 – Zannatul Md 3. Worker id: HLE0071 – Harizani Bin Mohammad 4. Worker id: HE100400 - Nurhayadi 5. Worker id: HE100011 – Uma Kant Ram Mochi 6. Worker id: HLE0917 – Solman Ariandy <p><u>Hwa Li 2 Estate</u></p> <ol style="list-style-type: none"> 3. Worker id: HTO1095 – Parvez Khan 4. Worker id: HE200088 – Khatri Bishnu 5. Worker id: HE200120 – Suparlan 6. Worker id: HE200256 – Karim Rezaul 7. Worker id: HE200377 – Erni Herawati <p><u>Carotino POM</u></p> <ol style="list-style-type: none"> 1. Worker id: G0139 – Than Zaw 2. Worker id: G0296 – Sah Roshan Kumar 3. Worker id: G0322 – Manoj Kapari Kewat 4. Worker id: G0147 – Sashikumar A/L Duraisamy 5. Worker id: G0344 – Senihga A/P Vejayakumar | Complied |
| 6.2.2 | <p>(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for</p> | <p>Employment contract is available and signed by both employee and employer. Sighted the employment contract as below:</p> <p><u>Hwa Li 1 Estate</u></p> | Complied |

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| <p>dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Major compliance -</p> | <ol style="list-style-type: none"> 1. Worker id: HE100350 – Azizah A/P Kereseng 2. Worker id: HE100305 – Zannatul Md 3. Worker id: HLE0071 – Harizani Bin Mohammad 4. Worker id: HE100400 - Nurhayadi 5. Worker id: HE100011 – Uma Kant Ram Mochi 6. Worker id: HLE0917 – Solman Ariandy <p><u>Hwa Li 2 Estate</u></p> <ol style="list-style-type: none"> 1. Worker id: HTO1095 – Parvez Khan 2. Worker id: HE200088 – Khatri Bishnu 3. Worker id: HE200120 – Suparlan 4. Worker id: HE200256 – Karim Rezaul 5. Worker id: HE200377 – Erni Herawati <p><u>Carotino POM</u></p> <ol style="list-style-type: none"> 1. Worker id: G0139 – Than Zaw 2. Worker id: G0296 – Sah Roshan Kumar 3. Worker id: G0322 – Manoj Kapari Kewat 4. Worker id: G0147 – Sashikumar A/L Duraisamy 5. Worker id: G0344 – Senihga A/P Vejayakumar <p>Sampled payslip of Nurhayadi (20/12/2019, 22 & 29/11/2019), Zannatul Md (20/12/2019, 3 & 10/05/2019), Solman (03/05/2019), Harizani (3,10,17 & 31/05/2019) and Uma Kant (3,10,17 & 31/05/2019) shown that they worked on rest day but paid normal rate This is been further verified with JTK Officer in Segamat through telephone that it is allowed if the employer not being offered to work on rest day. During the interview session with the workers, they know that they should not work on rest day but since they are free on rest day and want to earn more, they go to work on their rest day. They were aware on the announcement made by the employer on no work on rest day.</p> | |
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| <p>6.2.3</p> | <p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements. - Major compliance -</p> | <p>Sampled workers showed the compliance on the legal for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p><u>Hwa Li 1 Estate</u></p> <ol style="list-style-type: none"> 1. Worker id: HE100350 – Azizah A/P Kereseng 2. Worker id: HE100305 – Zannatul Md 3. Worker id: HLE0071 – Harizani Bin Mohammad 4. Worker id: HE100400 - Nurhayadi 5. Worker id: HE100011 – Uma Kant Ram Mochi 6. Worker id: HLE0917 – Solman Ariandy <p><u>Hwa Li 2 Estate</u></p> <ol style="list-style-type: none"> 1. Worker id: HTO1095 – Parvez Khan 2. Worker id: HE200088 – Khatri Bishnu 3. Worker id: HE200120 – Suparlan 4. Worker id: HE200256 – Karim Rezaul 5. Worker id: HE200377 – Erni Herawati <p><u>Carotino POM</u></p> <ol style="list-style-type: none"> 1. Worker id: G0139 – Than Zaw 2. Worker id: G0296 – Sah Roshan Kumar 3. Worker id: G0322 – Manoj Kapari Kewat 4. Worker id: G0147 – Sashikumar A/L Duraisamy 5. Worker id: G0344 – Senihga A/P Vejayakumar | <p>Complied</p> |
| <p>6.2.4</p> | <p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers’ Housing Recommendation No.</p> | <p>The workers were provided with housing, free water and electricity supply, medical and education & transportation aid. 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/Admin Officer has conducted linesite inspection on weekly basis and the records were sighted. Housing inspection been</p> | <p>Complied</p> |

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| | <p>115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Major compliance -</p> | <p>conducted during the site visit and the housing complexes are satisfactorily clean.</p> <p>Sighted the Summary of Building Maintenance Schedule For Fiscal Year 2019/20 (01/07/2019 to 30/06/2020) at Hwa Li 1 Estate and Building Maintenance schedule for fiscal year 2019 version 2 (01/07/2019 to 30/06/2020) at Carotino POM.</p> <p>Treated water is for domestic usage in Hwa Li 1 Estate and Hwa Li 2 Estate. Water analysis has been conducted annually and result no trace of e.coli and total coliform present. Sighted the annual water analysis result from PERMULAB Sdn Bhd (Hwa Li 1 Estate), Allied Chemists (Hwa Li 2 Estate) for year 2019 and PERMULAB Sdn Bhd (Carotino POM).</p> | |
| 6.2.5 | <p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p> | <p>There is grocery shop in nearby the mill and estate and workers freely to buy and report to management if they found the price unfair. During the site visit, it was found that the price is displayed publicly.</p> | Complied |
| 6.2.6 | <p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE: STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE (Endorsed by the RSPO BoG on 7th November 2019)</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavor to carry out DLW country benchmarks for palm oil</p> | <p>Not applicable since DLW is not been established during the audit.</p> | Not applicable |

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| <p>producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfills the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO</i></p> | | |
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| <p><i>endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage</i> (RSPO Guidance for Implementing a Decent Living Wage. The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> • Updated assessment on prevailing wages and in-kind benefits • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment • The UoC may choose to implement the living wage payment in a specific section as a pilot project; the | | |
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| | <p>pilot will then be evaluated and adapted before eventual scale up of the living wage implementation.</p> <p>- Minor compliance -</p> | | |
| 6.2.7 | <p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p> | <p>There are no casual workers hired in Carotino POM and supply bases. All employees are permanent employee (for locals) and contracted employee (for foreign workers). Workers from all kind of nationalities used for all types of jobs based on their skills and capabilities of the job given.</p> | Complied |
| <p>Criterion 6.3 The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p> | | | |
| 6.3.1 | <p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Major compliance -</p> | <p>J.C. Chang Group has established Social and Human Rights Policy dated 14 November 2019 signed by the Plantation Director. The policy has a statement where the management respect the right of employees to associate and free to join union. Hwa Li 2 Estate. The policy was communicated to all workers on 25/12/2019 in Hwa Li 1 Estate, 16/11/2019 in Hwa Li 2 Estate and 01/12/2019 in Carotino POM.</p> <p>Attendant list was sighted. The policy was displayed at the notice board outside the office. There is also notice displayed since October 2008 on the freedom for association for workers from the Estate Manager published.</p> | Complied |
| 6.3.2 | <p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.</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 Nepal, Indonesia, Pakistani, India, Bangladeshi and local. All the workers' representatives were elected democratically by all the workers themselves. The meetings were conducted every quarterly. For example, the last meeting was conducted as below:</p> | Complied |

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| | | <p>Hwa Li 1 Estate: 24/09/2019 (Minit Mesyuarat Ahli Jawatankuasa Perundingan Bersama JCC) attended by 10 employer representatives and 8 worker representatives & 29/08/2019 (Minit Mesyuarat Ahli Jawatankuasa Perundingan Bersama JCC) attended by 10 employer representatives and 8 worker representatives.</p> <p>Hwa Li 2 Estate: 13/11/2019 (Minit Mesyuarat Ahli Jawatankuasa Perundingan Bersama JCC Pekerja Ladang Hwa Li Division 2, Ke 49) attended by 15 representatives.</p> <p>Carotino POM: 19/12/2019 (Minit Mesyuarat Ahli Jawatankuasa Perundingan Bersama JCC Pekerja attended by 12 representatives. Meeting minutes is sighted and actions have been taken to resolve the issues raised by the workers.</p> | |
| 6.3.3 | <p>Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.</p> <p>- Minor compliance -</p> | <p>The workers, without distinction, have the right to join or form trade unions of their own choosing without prior authorization and to bargain collectively as below:</p> <p><u>Hwa Li 2 Estate:</u> This is also sighted in the records of vote of 8 new candidates. Based on the vote result, 5 candidates were chosen with high number of votes.</p> <p><u>Carotino POM:</u> 5 representatives selected by the recommendation by all workers which are Indrajit Shah, Narsing Kumar, Mohd Hafiz, Aung Kya Moe and Armawati.</p> | Complied |
| <p>Criterion 6.4 Children are not employed or exploited.</p> | | | |
| 6.4.1 | <p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place,</p> | <p>J.C. Chang Group has established Child Protection Policy signed by the Estate Director on 12/08/2019. The policy has a statement where the management will not employ underage children. The policy was displayed at the notice board outside the office.</p> | Complied |

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| | and included into service contracts and supplier agreements. - Minor compliance - | Document reviewed of the workers' list in mill and estate found that the management did not employ workers less than 18 years old. The contractors has signed the sustainability compliances contract with operating unit JC Chang Group to Cheng Cher Beng Earth Work on 07/11/2019 (Hwa Li 1 Estate) and Eng Lee Sing Sdn Bhd on 19/11/2019 (Hwa Li 2 Estate). | |
| 6.4.2 | (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure. - Major compliance - | As per Child Protection Policy, the term of child applies to all persons under the age of 18 years old and the young person refer to person who are aged 15 years old, or above the minimum age of employment, but under the age of 18 years old. Based on the personnel file and its own identification card, all the workers are above 18 years old. Based on the Guidelines on procedure of recruitment, selection, hiring, promotion, retirement and termination, dated 12/08/2019 age screening verification will be conducted prior recruitment based on recognized photographic identification such as identification card, passport, etc.). | Complied |
| 6.4.3 | (C) Young persons may be employed only for non-hazardous work, with protective restrictions in place for that work. - Major compliance - | There is no young persons employed in Carotino POM and supply bases. This is verified through the interview and documentation review. | Complied |
| 6.4.4 | The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live. - Minor compliance - | The policy has been briefed to the employees on 19/08/2019 a Hwa Li 2 Estate. Attendant list was sighted. The contractors has signed the sustainability compliances contract with operating unit JC Chang Group to Cheng Cher Beng Earth Work on 07/11/2019 (Hwa Li 1 Estate) and Eng Lee Sing Sdn Bhd on 19/11/2019 (Hwa Li 2 Estate). For government, Due Diligence form, (E/024-01/2019 dated 12/08/2019) and Sustainability Compliance Clause form, (E023-01/2019) established for the stakeholders. Sighted sample for KWSP Officer on 05/11/2019, Pejabat Hutan Daerah Rompin on 03/11/2019 and Majlis Daerah Rompin on 13/11/2019. In | Complied |

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| | | Carotino POM, sighted the Pejabat Perkeso Negeri Pahang (06/01/2020), Suruhanjaya Tenaga Negeri Pahang (04/11/2019) and Klinik Kesihatan Sri Jaya (22/10/2019). | |
| Criterion 6.5 | | | |
| There is no harassment or abuse in the workplace, and reproductive rights are protected. | | | |
| 6.5.1 | (C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce. - 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 has been briefed to the employees during the induction training prior to work and during the muster call. In Hwa Li 1 Estate, sighted the briefing has been conducted by phases on 24/12/2019 (2 drivers), 30/12/2019 (3 people) and 03/08/2019 (9 people) while in Hwa Li 2 Estate, the sexual harassment briefing was conducted on 15/04/2019 to all 99 workers. | Complied |
| 6.5.2 | (C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. - Major compliance - | JC Chang Group has established Policy of Reproductive Rights with Doc. Ref. No. E/015-01/2015 dated 8/9/2015. 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 on 15.04.2019 at Hwa Li 2 Estate to workers. Sighted the list of attendance and the policy established. | Complied |
| 6.5.3 | Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified. - Minor compliance - | There is no new mothers for female worker in Hwa Li 1 Estate. In Hwa Li Estate have 2 new mothers which were Puan Haziratul Qudsiah and Puan Siti Nadiyah on 14/12/2019. The need identified is time off for the children check up to the nearest clinic. | Complied |
| 6.5.4 | A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce. | The managements have established a Gender Committee from female workers. Meeting was conducted as following: Hwa Li 1 Estate: Minit Mesyuarat Jawatankuasa Hal Ehwat Wanita on 26/12/2019 and 10/06/2019. | Complied |

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| | - Minor compliance - | Hwa Li 2 Estate: Minit Mesyuarat Jawatankuasa Komuniti Wanita Ladang Hwa Li Estate Division 2 on 11/09/2019 and 15/05/2019. 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. | |
| Criterion 6.6 No forms of forced or trafficked labour are used. | | | |
| 6.6.1 | (C) All workers have entered into employment voluntarily and the following are prohibited: <ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees. • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages - Major compliance - | As per Guidelines on procedure or system of recruitment, selection, hiring, promotion, retirement and termination (Doc no: E020-01/2019 dated 12/08/2019), the following is not allowed: <ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalization and renewal processes) • Charging the workers for recruitment fees • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty to the workers for termination of employment • Debt bondage • Withholding of wages | Complied |
| 6.6.2 | (C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented. - Major compliance - | There is Guidelines on Workers Employment For Casual or Temporary Employee (Doc No: E/021-01/2018 dated 15/11/2018). Foreign and non-resident casual or temporary employee should be legalized, process of legalization shouldn't be more than 6 months unless delay from authority or approved by authority under special legalization program. For locals foreign worker, there is Guideline on Terms & Conditions of Employment for Workers – West Malaysia (Doc no: E/007-07/2018 date: | Complied |

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| | | 03/08/2018) implemented which covers on employment, contract agreement and minimum wage policy , pay slip worker’s deduction and recovery. Workers’ repatriation and worker’s passport. | | | | | | | | | | | | | | | | | | | | | |
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| Criterion 6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to health. | | | | | | | | | | | | | | | | | | | | | | | |
| 6.7.1 | <p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Major compliance -</p> | <p>The responsibility and accountability to ensure Safety & Health at each operating unit lies with the respective Operating Unit (Mill/Estate) Manager. He is assisted by his nominated Assistant Manager who jointly with the OSH Committee members are also answerable for safety and health at their Operating Unit.</p> <p>Each Operating Unit assessed has established its own OSH Committee. Quarterly meeting has been held as shown in the table below, chaired by their Mill/Estate Manager, Assistant Manager as Secretary and attended by Worker’s Representatives and Management Representatives.</p> <table border="1" data-bbox="965 924 1774 1125"> <thead> <tr> <th>Date</th> <th>Meeting No. 1</th> <th>Meeting No. 2</th> <th>Meeting No. 3</th> <th>Meeting No. 4</th> </tr> </thead> <tbody> <tr> <td>Hwa Li 1</td> <td>19.3.2019</td> <td>18.6.2919</td> <td>24.9.2019</td> <td>12.12.2019</td> </tr> <tr> <td>Hwa Li 2</td> <td>13.02.2019</td> <td>15.05.2019</td> <td>20.08.2019</td> <td>13.11.2019</td> </tr> <tr> <td>Carotino POM</td> <td>27.03.2019</td> <td>20.06.2019</td> <td>28.9.2019</td> <td>18.12.2019</td> </tr> </tbody> </table> <p>Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded. The standard agenda is used.</p> <ul style="list-style-type: none"> • Confirmation of previous MOM • Review accident cases • Jumlah kes kesihatan • SOP and use of PPE • Review HIRARC improvement | Date | Meeting No. 1 | Meeting No. 2 | Meeting No. 3 | Meeting No. 4 | Hwa Li 1 | 19.3.2019 | 18.6.2919 | 24.9.2019 | 12.12.2019 | Hwa Li 2 | 13.02.2019 | 15.05.2019 | 20.08.2019 | 13.11.2019 | Carotino POM | 27.03.2019 | 20.06.2019 | 28.9.2019 | 18.12.2019 | Complied |
| Date | Meeting No. 1 | Meeting No. 2 | Meeting No. 3 | Meeting No. 4 | | | | | | | | | | | | | | | | | | | |
| Hwa Li 1 | 19.3.2019 | 18.6.2919 | 24.9.2019 | 12.12.2019 | | | | | | | | | | | | | | | | | | | |
| Hwa Li 2 | 13.02.2019 | 15.05.2019 | 20.08.2019 | 13.11.2019 | | | | | | | | | | | | | | | | | | | |
| Carotino POM | 27.03.2019 | 20.06.2019 | 28.9.2019 | 18.12.2019 | | | | | | | | | | | | | | | | | | | |

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| | | <ul style="list-style-type: none"> • Inspection of First Aid Kit • Workplace Inspection • OSH training • Any other business | | | | | | | | | | | | | | | |
|---------------------|--|--|----------------|------|--|---------------|------------|---------------------|---|---|---------------------|---|---|--------------|---|---|-----------------|
| <p>6.7.2</p> | <p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p> | <p>Accident and emergency procedures available in English and Bahasa Malaysia have been communicated to employees, contractors and visitors.</p> <p>Guidelines on Accident Reporting and Investigation, Doc. No. M/015-03/2018 dated 13/12/2018 is seen being implemented. Safety Committee investigate all accidents and report to DOSH timely in accordance to NADPOD 2004 Regulations.</p> <p>Records of all accidents are kept and periodically reviewed during Safety & Health Committee meeting. All operating units maintained on file JKPP 6 & 8 forms.</p> <table border="1" data-bbox="1039 879 1704 1050"> <thead> <tr> <th rowspan="2">Operating Unit</th> <th colspan="2">2019</th> </tr> <tr> <th>Accident Case</th> <th>LTI (days)</th> </tr> </thead> <tbody> <tr> <td>Hwa I Estate Div. 1</td> <td>6</td> <td>5</td> </tr> <tr> <td>Hwa I Estate Div. 2</td> <td>7</td> <td>8</td> </tr> <tr> <td>Carotino POM</td> <td>0</td> <td>-</td> </tr> </tbody> </table> <p>Annual fire evacuation drill was held by the assessed Operating Units as follows: at Hwa Li Estate 1 on 26/12/2019, Hwa Li Estate 2 on 17/07/2019 and at Carotino Palm Oil Mill Pahang on 17/08/2019.</p> <p>Emergency response scenario identified include:</p> <ul style="list-style-type: none"> • Chemical poisoning • Accident • Fire • Flood | Operating Unit | 2019 | | Accident Case | LTI (days) | Hwa I Estate Div. 1 | 6 | 5 | Hwa I Estate Div. 2 | 7 | 8 | Carotino POM | 0 | - | <p>Complied</p> |
| Operating Unit | 2019 | | | | | | | | | | | | | | | | |
| | Accident Case | LTI (days) | | | | | | | | | | | | | | | |
| Hwa I Estate Div. 1 | 6 | 5 | | | | | | | | | | | | | | | |
| Hwa I Estate Div. 2 | 7 | 8 | | | | | | | | | | | | | | | |
| Carotino POM | 0 | - | | | | | | | | | | | | | | | |

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| | | <ul style="list-style-type: none"> • Chemical Spills <p>Assigned operatives trained in first aid were present at visited work sites (engine room, boiler, water treatment plant, workshop, capstan, and harvesting/spraying/manuring block). First aid kit inspected showed its content has been replenished and checked monthly by the Estate Health Assistant. All items were as per 4th schedule of Factory Machinery Act, Safety Health and Welfare Regulations 1970. No expired item nor oral medication was found in the first aid box.</p> | |
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| <p>6.7.3</p> | <p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Major compliance -</p> | <p>As part of mitigation measures following risk assessment, appropriate Personal Protective Equipment (PPE) for the job undertaken by the workers involved were provided free of charge by the company. Suitable PPE provided is also in reference to the information in the SDS and CHRA assessor’s recommendation.</p> <p>Following list identifies the type of PPE issued for related activities to cover all potentially hazardous operations.</p> <ul style="list-style-type: none"> i) Mill Sterilizer, Press, Kernel plant Operator – Safety Helmet, Safety Glass, Cotton Gloves, Safety Shoes, Safety Vest and Ear plug ii) Mill Boiler Operator – Safety Helmet, Safety Glass, Leather Hand Glove, Apron, Safety Shoes, Safety Vest and Ear Muff iii) Mill Power House Operator – Safety Helmet, Safety Glass, Leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff iv) Mill Lab Operator – Respirator R95 (double cartridge), Nitrile Glove (chemical resistant), Safety Boots, Ear plug (NRR = 24 dB) v) Field worker, Sprayers - 3M 3200 Half Face Respirator with 3311K-5 organic vapor filter element (R95), Nitrile Rubber Glove, Cotton Glove, Antimist Goggles, Wellington Boots and Apron vi) Field worker, Manurer – Cotton Glove, Nitrile Rubber Glove, Respirator Mask (N95), Safety Goggles, Wellington Boots and Apron vii) Field worker, harvester – Safety Helmet, Safety Goggles, Wellington Boots and sickle cover. <p>Clothing lockers are provided for mill and estate workers to change their street clothing to work clothing and vice versa at the end of their work shift. Proper sanitation facilities separated by gender including shower room to clean themselves were adequately provided. Also provided is washing machine and work cloth hanging/drying area to safeguard pesticides contaminated work clothes from being taken home.</p> | <p>Complied</p> |
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| <p>6.7.4</p> | <p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law. - Minor compliance -</p> | <p>Medical care and accident insurance is provided to all employees. Local workers are covered under Employees' Social Security Act 1969 (Act 4) while foreign workers are covered under Employment Injury Scheme Act 2017 (Act 800) except for remaining foreign workers whose Foreign Workers Compensation Scheme had yet to expire. Upon expiry by law it will be required to subscribe for injury protection and compensation under Act 800.</p> <table border="1" data-bbox="922 587 1796 960"> <thead> <tr> <th rowspan="2">Operating Unit</th> <th rowspan="2">Month</th> <th colspan="2">Payment evidence / receipt</th> </tr> <tr> <th>Act 4</th> <th>Act 800</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Hwa Li Estate 1</td> <td>October 2019</td> <td>20190004334625</td> <td>2019E0003798816</td> </tr> <tr> <td>November 2019</td> <td>20190004723267</td> <td>2019E0004143624</td> </tr> <tr> <td rowspan="2">Hwa Li Estate 2</td> <td>October 2019</td> <td>20190004444766 for 68 workers</td> <td>2019E0003882767f or 17 workers</td> </tr> <tr> <td>November 2019</td> <td>20190004830944</td> <td>2019E0004229147</td> </tr> <tr> <td rowspan="2">Carotino POM Pahang</td> <td>November 2019</td> <td>ACR122190072035</td> <td>ECR122190065031</td> </tr> <tr> <td>December 2019</td> <td>20200000077438</td> <td>2020E0000068587</td> </tr> </tbody> </table> | Operating Unit | Month | Payment evidence / receipt | | Act 4 | Act 800 | Hwa Li Estate 1 | October 2019 | 20190004334625 | 2019E0003798816 | November 2019 | 20190004723267 | 2019E0004143624 | Hwa Li Estate 2 | October 2019 | 20190004444766 for 68 workers | 2019E0003882767f or 17 workers | November 2019 | 20190004830944 | 2019E0004229147 | Carotino POM Pahang | November 2019 | ACR122190072035 | ECR122190065031 | December 2019 | 20200000077438 | 2020E0000068587 | <p>Complied</p> |
|---------------------|--|--|--------------------------------|-----------------|----------------------------|--------------|-------|---------|-----------------------------|--------------|----------------|-----------------|---------------------------|----------------|-----------------|-----------------|--------------|-------------------------------|--------------------------------|---------------|----------------|-----------------|---------------------|---------------|-----------------|-----------------|---------------|----------------|-----------------|-----------------|
| Operating Unit | Month | Payment evidence / receipt | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Act 4 | Act 800 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hwa Li Estate 1 | October 2019 | 20190004334625 | 2019E0003798816 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | November 2019 | 20190004723267 | 2019E0004143624 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hwa Li Estate 2 | October 2019 | 20190004444766 for 68 workers | 2019E0003882767f or 17 workers | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | November 2019 | 20190004830944 | 2019E0004229147 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Carotino POM Pahang | November 2019 | ACR122190072035 | ECR122190065031 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | December 2019 | 20200000077438 | 2020E0000068587 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>6.7.5</p> | <p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics. - Minor compliance -</p> | <p>Records on Lost Time Accident (LTA) metrics at mill/estates had been verified to be in satisfactory trending. JKPP 8 been submitted to DOSH annually.</p> <table border="1" data-bbox="945 1101 1796 1284"> <thead> <tr> <th>Year</th> <th>Hwa Li 1 Estate</th> <th>Hwa Li 2 Estate</th> <th>Carotino POM</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>0 case</td> <td>28 case (total 14 days LTI)</td> <td>0 case</td> </tr> <tr> <td>2019</td> <td>0 case</td> <td>7 case (total 6 days LTI)</td> <td>0 case</td> </tr> </tbody> </table> | Year | Hwa Li 1 Estate | Hwa Li 2 Estate | Carotino POM | 2018 | 0 case | 28 case (total 14 days LTI) | 0 case | 2019 | 0 case | 7 case (total 6 days LTI) | 0 case | <p>Complied</p> | | | | | | | | | | | | | | | |
| Year | Hwa Li 1 Estate | Hwa Li 2 Estate | Carotino POM | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 0 case | 28 case (total 14 days LTI) | 0 case | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 0 case | 7 case (total 6 days LTI) | 0 case | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Principle 7: Protect, conserve and enhance ecosystems and the environment

| Criterion 7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques. | | | | | | | | | | | | | | | |
|---|--|---|-------------|------------------------|----------------|-----|---|---|-----|---|--|---------------|--|---------------------------------------|--|
| 7.1.1 | (C) IPM plans are implemented and monitored to ensure effective pest control. - Major compliance - | Ref.: Guidelines on Integrated Pest and Disease Management of Oil Palm [L/001-06/2017]. The IPM plan FY2019/2020 includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as <i>Tunera subulata</i> , <i>Antigonon leptopus</i> and <i>Cassia</i> were seen grown in the estates. Barn owls were also kept in the estates to suppress the population of rats. Census of rat and leaf-eating pest was regularly carried out to monitor the population of the pests. Appropriate action shall be taken should the population of pests are above the threshold levels as per below: | Complied | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Target pest</th> <th>Threshold limit/target</th> <th>Treatment/plan</th> </tr> </thead> <tbody> <tr> <td>Rat</td> <td> Palm: Above 5% for fresh damage Bunch: Continue baiting > 20% damage </td> <td> Palm – Start baiting programme if census result > 5% Bunch – first campaign 100% using 1st generation, continue baiting if bait acceptance > 20% </td> </tr> <tr> <td>Rat</td> <td>Ratio starts with 1 box in 20 ha, gradually increase to 1:5</td> <td>Install more boxes if population increase.</td> </tr> <tr> <td>Bagworm/LEC/P</td> <td>3 types of beneficial plant (<i>Tunera subulata</i>, <i>Antigonon leptopus</i> and <i>Cassia</i>)</td> <td>Maximize planting of beneficial plant</td> </tr> </tbody> </table> | Target pest | Threshold limit/target | Treatment/plan | Rat | Palm: Above 5% for fresh damage Bunch: Continue baiting > 20% damage | Palm – Start baiting programme if census result > 5% Bunch – first campaign 100% using 1 st generation, continue baiting if bait acceptance > 20% | Rat | Ratio starts with 1 box in 20 ha, gradually increase to 1:5 | Install more boxes if population increase. | Bagworm/LEC/P | 3 types of beneficial plant (<i>Tunera subulata</i> , <i>Antigonon leptopus</i> and <i>Cassia</i>) | Maximize planting of beneficial plant | |
| Target pest | Threshold limit/target | Treatment/plan | | | | | | | | | | | | | |
| Rat | Palm: Above 5% for fresh damage Bunch: Continue baiting > 20% damage | Palm – Start baiting programme if census result > 5% Bunch – first campaign 100% using 1 st generation, continue baiting if bait acceptance > 20% | | | | | | | | | | | | | |
| Rat | Ratio starts with 1 box in 20 ha, gradually increase to 1:5 | Install more boxes if population increase. | | | | | | | | | | | | | |
| Bagworm/LEC/P | 3 types of beneficial plant (<i>Tunera subulata</i> , <i>Antigonon leptopus</i> and <i>Cassia</i>) | Maximize planting of beneficial plant | | | | | | | | | | | | | |

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| | | Rhinoceros Beetle | Chemical intervention every 10 Oryctes Rhinoceros exist in 1 pheromone trap using 5.5% (Hextar Cyper) | Installation of pheromone trap (1:5 ha) | |
| 7.1.2 | Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented. - Minor compliance - | No species used in managed area under Global Invasive Species Database and CABI.org within Carotino Production Unit. | | | Complied |
| 7.1.3 | There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities. - Minor compliance - | There is no use of fire for pest control treatment @ phyto-sanitation and in line with JC Chang’s Guidelines on Integrated Pest and Disease Management of Oil Palm, doc. ref. L/001-07/2019 dated 13/8/19 under section 6, Fire Control. | | | Complied |
| Criterion 7.2 | | | | | |
| Pesticides are used in ways that do not endanger health of workers, families, communities or the environment. | | | | | |
| 7.2.1 | (C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised. - Major compliance - | Justification for all pesticides used was stated in the SOP for Justifications for Pesticide Usage under IPM (Insecticide, Fungicide & Rodenticide) (B/008-15/2019) and Justification for Weedicides Usage (B/009-13/2019). The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species. Example of the method and application as follow: | | | Complied |

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| | | Method and type of control | Ai of Chemical | Rate and application | |
|--|--|---|--|--|--|
| | | Prophylactic and treatment sprayings against leaf fungus for oil palm nursery seedlings | Propineb 70% | 20g/10L water | |
| | | Trunk injection against leaf eating insects (mature palm above 6 years) | Monocrotophos (55% w/w) or Methamidophos | Inject 8 – 10 ml per palm by drilling a 15-20 cm hole on the trunk at 0.5-1.0 m above ground at 45° angle. | |
| | | Insecticide spray | Chlorpyrifos 21.2% | 32ml per 16-18L CKS | |
| | | Fungicide treatment/injection on mature palm | Hexaconazole 5.00% | 90ml + 10L (media)/palm by injection method. | |
| | | Fungicide spray on nursery stage | Thiram 80% | 32-64gm per 16-S | |

| <p>7.2.2</p> | <p>(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided. - Major compliance -</p> | <p>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. Safety Data Sheet from the manufacturer for pesticides used were available. It is a summary document that provides information among others the percentage of active ingredients and chemical make-up, toxicity data or potential health effects and advice on safety precautions, etc. related to the hazardous materials.</p> <p>The records of weeding program and herbicide master list was sampled as follows:</p> <table border="1" data-bbox="922 715 1796 1193"> <thead> <tr> <th>Hwa Li Estate 1 Chemical</th> <th>Total chemical used (gram or liters)</th> <th>Treated Area (ha)</th> <th>a.i. used / ha</th> </tr> </thead> <tbody> <tr> <td>Ally 20DF: Metsulfuron methyl 20% (LD₅₀ rat 5000 mg/kg)</td> <td>170000</td> <td>4642.56</td> <td>7.32</td> </tr> <tr> <td>Glyphosate isopropylamine 41.0% @ LD50/rat (acute oral toxicity): >5000mg/kg</td> <td>3765</td> <td>5783.06</td> <td>0.27</td> </tr> <tr> <td>Triclopyr butotyl 32.1% (LD₅₀ rat 2500 mg/kg)</td> <td>1104</td> <td>2270.16</td> <td>0.16</td> </tr> <tr> <td>Total</td> <td>174869</td> <td>12695.78</td> <td>7.75</td> </tr> </tbody> </table> | Hwa Li Estate 1 Chemical | Total chemical used (gram or liters) | Treated Area (ha) | a.i. used / ha | Ally 20DF: Metsulfuron methyl 20% (LD ₅₀ rat 5000 mg/kg) | 170000 | 4642.56 | 7.32 | Glyphosate isopropylamine 41.0% @ LD50/rat (acute oral toxicity): >5000mg/kg | 3765 | 5783.06 | 0.27 | Triclopyr butotyl 32.1% (LD ₅₀ rat 2500 mg/kg) | 1104 | 2270.16 | 0.16 | Total | 174869 | 12695.78 | 7.75 | <p>Complied</p> |
|--|---|---|-----------------------------|--------------------------------------|-------------------|----------------|---|--------|---------|------|--|------|---------|------|---|------|---------|------|-------|--------|----------|------|-----------------|
| Hwa Li Estate 1 Chemical | Total chemical used (gram or liters) | Treated Area (ha) | a.i. used / ha | | | | | | | | | | | | | | | | | | | | |
| Ally 20DF: Metsulfuron methyl 20% (LD ₅₀ rat 5000 mg/kg) | 170000 | 4642.56 | 7.32 | | | | | | | | | | | | | | | | | | | | |
| Glyphosate isopropylamine 41.0% @ LD50/rat (acute oral toxicity): >5000mg/kg | 3765 | 5783.06 | 0.27 | | | | | | | | | | | | | | | | | | | | |
| Triclopyr butotyl 32.1% (LD ₅₀ rat 2500 mg/kg) | 1104 | 2270.16 | 0.16 | | | | | | | | | | | | | | | | | | | | |
| Total | 174869 | 12695.78 | 7.75 | | | | | | | | | | | | | | | | | | | | |

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| | | Hwa Li Estate 2 Chemical | Total chemical used (gram or liters) | Treated Area (ha) | a.i (g) used / ha | |
|-------|---|---|---|----------------------------------|----------------------------------|----------|
| | | Ally 20DF: Metsulfuron methyl 20% (LD ₅₀ rat 5000 mg/kg) | 884005.61 | 6709.72 | 26.35 | |
| | | Glyphosate isopropylamine 41.0% @ LD ₅₀ /rat (acute oral toxicity): >5000mg/kg | 2426125 | 6121.30 | 162.50 | |
| | | Cypermethrin 5.50% (3-(2,2-dichloroethenyl)-2,2-dimethyl-cyclopropanecarboxylic acid, cyano(3-phenoxyphenyl)methyl ester LD ₅₀ rat, oral and dermal toxicity > 5000 mg/kg) | 19495 | 5643.20 | 0.19 | |
| | | Monex (52.70% MSMA and Diuron | 318 | 2705.64 | 0.62 | |
| | | Antracol (70% ithiocarbamate LD ₅₀ rat, oral and dermal toxicity > 5000 mg/kg) | 1000 | 6.86 | 102.04 | |
| | | Total | 3330943.61 | 21186.72 | 291.7 | |
| 7.2.3 | (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans. - Major compliance - | The management encourage establishing biological control as per IPM plan. The implementation in the field is consistent with the JC Chang's Group SOP. The IPM implementations described in Indicator 7.1.1 are meant to minimise the use of pesticides. | | | | Complied |

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| 7.2.4 | <p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p> | <p>There was no prophylactic use of pesticides found at visited operating units.</p> | <p>Complied</p> |
| 7.2.5 | <p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <p>7.2.5a Judgment of the threat and verify why this is a major threat</p> <p>7.2.5b Why there is no other alternative which can be used</p> <p>7.2.5c Which process was applied to verify why there is no other less hazardous alternative</p> <p>7.2.5d What is the process to limit the negative impacts of the application</p> <p>7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</p> <p>- Minor compliance -</p> | <p>Prohibited or banned pesticides by the Malaysian Pesticides Board is strictly observed by IOI Group. IOI only purchase chemicals that are registered under the Malaysian Pesticides Act 1974 (Act 149) and Regulations.</p> <p>Sighting of the Chemical Register dated 30/11/2018 at these estates showed that only class II, III & IV chemicals were used. There were no Class 1A and Class1B agrochemicals used.</p> <p>Paraquat was eliminated. In its place, alternatives such as Glyphosate were used instead.</p> | <p>Complied</p> |
| 7.2.6 | <p>(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are</p> | <p>Pesticides were handled, used or applied by trained workers in accordance with the product label. In addition to the product label, Safety Data Sheets were used and explained to the participants with emphasis on health and environmental risks of pesticide exposure; recognition of acute and long-term exposure; ways to minimize exposure to workers and their families; and</p> | <p>Complied</p> |

| | <p>properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p> <p>- Major compliance -</p> | <p>international and national instruments or regulations that protect workers' health.</p> <p>Training for pesticides handler are as shown in the table below:</p> <table border="1" data-bbox="925 491 1796 887"> <thead> <tr> <th>Estate</th> <th>Training Title</th> <th>Date</th> <th>No. of Attendees</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Hwa Li 1</td> <td>Safe & Standard Operating Procedure Spraying, Buffer zone Awareness & PPE</td> <td>22.07.19</td> <td>8 Sprayers</td> </tr> <tr> <td>Safe & Standard Operating Procedure Chemical handling</td> <td>06.08.19</td> <td>1 Store Clerk</td> </tr> <tr> <td rowspan="2">Hwa Li 2</td> <td>Triple Rinsing and Chemical mixing/surplus</td> <td>15.07.19</td> <td>2 workers</td> </tr> <tr> <td>Safe & Standard Operating Procedure Spraying, Buffer zone Awareness & PPE</td> <td>23.03.19</td> <td>18 workers</td> </tr> </tbody> </table> <p>Agrochemical Sprayers, Pre-Mixer and Mandore's understanding on precautions attached to the products and the wearing of required PPE were checked in the field by the auditor. They were found understood during the interview and further confirmed by observing when they work.</p> | Estate | Training Title | Date | No. of Attendees | Hwa Li 1 | Safe & Standard Operating Procedure Spraying, Buffer zone Awareness & PPE | 22.07.19 | 8 Sprayers | Safe & Standard Operating Procedure Chemical handling | 06.08.19 | 1 Store Clerk | Hwa Li 2 | Triple Rinsing and Chemical mixing/surplus | 15.07.19 | 2 workers | Safe & Standard Operating Procedure Spraying, Buffer zone Awareness & PPE | 23.03.19 | 18 workers | |
|----------|--|--|------------------|----------------|------|------------------|----------|---|----------|------------|---|----------|---------------|----------|--|----------|-----------|---|----------|------------|--|
| Estate | Training Title | Date | No. of Attendees | | | | | | | | | | | | | | | | | | |
| Hwa Li 1 | Safe & Standard Operating Procedure Spraying, Buffer zone Awareness & PPE | 22.07.19 | 8 Sprayers | | | | | | | | | | | | | | | | | | |
| | Safe & Standard Operating Procedure Chemical handling | 06.08.19 | 1 Store Clerk | | | | | | | | | | | | | | | | | | |
| Hwa Li 2 | Triple Rinsing and Chemical mixing/surplus | 15.07.19 | 2 workers | | | | | | | | | | | | | | | | | | |
| | Safe & Standard Operating Procedure Spraying, Buffer zone Awareness & PPE | 23.03.19 | 18 workers | | | | | | | | | | | | | | | | | | |
| 7.2.7 | <p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Major compliance -</p> | <p>At estates assessed the storage of pesticides was in accordance with the Occupational Safety and Health Act 1994 (Act 514), Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. All information regarding the chemicals affixed as product label and the accompanying Safety Data Sheet (see OSH CLASS 2013 Regulations) with details of its usage, hazards, trade and generic names were made available at the chemical store and explained to the workers by Management.</p> <p>Chemical stores inspection noted the following being practised:</p> | Complied | | | | | | | | | | | | | | | | | | |

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| | | <ul style="list-style-type: none"> • All stores were secured under lock and key with only authorised personnel access. • Provision of ventilation fan. • Display of Safety Pictorial poster, namely the required PPE and chemical Safety Hazards Pictogram. • Pesticides were separated by class. • Daily balance of remaining solution after completing pre-mixing were recorded, placed in secondary tray spill containment and kept in the store under lock and key. • Concrete cemented floor, bund wall and provision of sump pond. • Store keeper was trained in the handling of all pesticides, for example, the precautions to store the heavy bulky 20-liter liquid container to be placed at the bottom on secondary tray containment and the smallest container on the top tier rack. | |
| 7.2.8 | All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes. - Minor compliance - | Empty pesticides containers were triple rinsed, its bottom perforated to render it useless, inventoried and stored, awaiting disposal to 3 rd party DOE Authorised Collector. Please see Indicator 7.3.1 for more details on its Waste Management Plan. | Complied |
| 7.2.9 | (C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying. - Major compliance - | None observed at the assessed estates. | Complied |
| 7.2.10 | (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated. - Major compliance - | Following CHRA conducted on 14.2.2017 at Hwa Li 1 Estate and on 17.1.2017 at Hwa Li 2 Estate by Registered Assessor No. KKP IH 127/171-2(08) from, Occumed Consultancy & Services Sdn Bhd, annual medical surveillance has been carried out for all pesticide operator at the said estates. At Hwa Li 1 Estate it was on 20.12.2018 for 3 new Sprayers and at Hwa Li 2 Estate on | Complied |

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| | | 28.07.2019 for 28 workers. All were tested Fit To Work with no detrimental health. | |
| 7.2.11 | <p>(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Major compliance -</p> | <p>Verified at assessed estate's muster chit and employee records. Found no underage person, pregnant or breast feeding women and other people that have medical restrictions working with pesticides. Medical surveillance record of those pesticides operators were examined and all of them were certified fit with no detrimental to health by registered Occupational Health Doctor, HQ/16/DOC/00/454 from MY Health Clinic Kuantan.</p> | Complied |
| <p>Criterion 7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.</p> | | | |
| 7.3.1 | <p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p> | <p>The waste management plan is established under Waste Products Identification and Disposal Plan, F/007-06/2016) dated 22/12/16. The waste are categorized to recyclable, non-recyclable and hazardous waste.</p> <p>The collected waste are being segregated at the waste collection site for recyclable and non-recyclable. During field assessment at the waste collection centres / landfills, it was observed that all waste are completely buried. No waste scattered at the surrounding area.</p> <p>At waste storage area, it was found that recyclable and hazardous waste were kept separate at designated storage area. Scheduled waste are completely labelled and stored with secondary containment and spill kits. No evidence of spills observed during site visit.</p> | Complied |

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| <p>7.3.2</p> | <p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p> | <p>The disposal of type of waste are as per the waste management plan dated 22/12/2016. At the disposal site, it was observed that the segregation of wastes are accordance to waste plan.</p> <p>Interview with the waste disposal site workers confirmed that they understand about the waste segregation. For the hazardous waste, disposal waste made by DOE's license contractor. Recycle waste was send to recycler, Seng Recycles Enterprise.</p> <p>Latest disposal, dated 2/1/20 summarize:</p> <table border="1" data-bbox="922 683 1762 820"> <thead> <tr> <th>Item</th> <th>Ticket number</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>Recycle item (plastic, bottle and paper)</td> <td>RCY20000004W</td> <td>450 kg</td> </tr> <tr> <td>Chemical container</td> <td>RCY20000002W</td> <td>60 kg</td> </tr> </tbody> </table> <p>Hazardous waste disposal summary:</p> <table border="1" data-bbox="922 884 1762 1310"> <thead> <tr> <th>Waste code</th> <th>Consignme nt no./ quantity</th> <th>Waste Contractor/ Transporter</th> <th>Date of disposal</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>SW404 (clinical waste)</td> <td>201912301 7AE1UIS, 0.0025 mt</td> <td>Kualiti Alam Sdn Bhd</td> <td>30/12/19</td> <td rowspan="3">Hwa Li Estate 1</td> </tr> <tr> <td>SW410 (used filter)</td> <td>201912181 2P0S05H, 0.11 mt</td> <td>Greenverse Sdn Bhd</td> <td>18/12/19</td> </tr> <tr> <td>SW305 (used lubricant)</td> <td>201912181 20ZB473, 0.8 mt</td> <td>Greenverse Sdn Bhd</td> <td>18/12/19</td> </tr> </tbody> </table> | Item | Ticket number | Weight | Recycle item (plastic, bottle and paper) | RCY20000004W | 450 kg | Chemical container | RCY20000002W | 60 kg | Waste code | Consignme nt no./ quantity | Waste Contractor/ Transporter | Date of disposal | Estate | SW404 (clinical waste) | 201912301 7AE1UIS, 0.0025 mt | Kualiti Alam Sdn Bhd | 30/12/19 | Hwa Li Estate 1 | SW410 (used filter) | 201912181 2P0S05H, 0.11 mt | Greenverse Sdn Bhd | 18/12/19 | SW305 (used lubricant) | 201912181 20ZB473, 0.8 mt | Greenverse Sdn Bhd | 18/12/19 | <p>Complied</p> |
|--|---|---|------------------|-----------------|--------|--|--------------|--------|--------------------|--------------|-------|------------|----------------------------|-------------------------------|------------------|--------|------------------------|------------------------------|----------------------|----------|-----------------|---------------------|----------------------------|--------------------|----------|------------------------|---------------------------|--------------------|----------|-----------------|
| Item | Ticket number | Weight | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recycle item (plastic, bottle and paper) | RCY20000004W | 450 kg | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chemical container | RCY20000002W | 60 kg | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Waste code | Consignme nt no./ quantity | Waste Contractor/ Transporter | Date of disposal | Estate | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SW404 (clinical waste) | 201912301 7AE1UIS, 0.0025 mt | Kualiti Alam Sdn Bhd | 30/12/19 | Hwa Li Estate 1 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SW410 (used filter) | 201912181 2P0S05H, 0.11 mt | Greenverse Sdn Bhd | 18/12/19 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SW305 (used lubricant) | 201912181 20ZB473, 0.8 mt | Greenverse Sdn Bhd | 18/12/19 | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | SW410 (used filter) | 201912291 77AK4F3, 0.268 mt | Greenverse Sdn Bhd | 29/12/19 | Hwa Li Estate 2 | |
| | | SW305 (used lubricant) | 201912291 6U1ORYW, 0.7 mt | Greenverse Sdn Bhd | 29/12/19 | | |
| | | SW409 (used drum) | 201911290 91L94C6, 0.28 mt | Greenserve Sdn Bhd | 28/11/19 | Carotino POM | |
| | | SW305 (used lubricant) | 201911290 9CSWF21, 0.532 mt | Greenserve Sdn Bhd | 28/11/19 | | |
| | | SW410 (used filter) | 201911290 9LX4IOE, 0.06 mt | Greenverse Sdn Bhd | 28/11/19 | | |
| 7.3.3 | The unit of certification does not use open fire for waste disposal. - Minor compliance - | Observation from the waste disposal sites could not observe any waste are disposed using open fire. Biodegradable waste are being landfilled while other non-biodegradable and hazardous waste currently being stored until the waste could be disposed through licensed disposer. | | | | | Complied |
| Criterion 7.4 | | | | | | | |
| Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. | | | | | | | |
| 7.4.1 | Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts. - Minor compliance - | The assessed estates continued to use the JC Chang / Carotino established SOP- Methods of nutrient assessment for oil palm fertilizer recommendation (B/012-02/2012uidelines for Compost Application (B/028-01/2017), Guidelines for Semi-Decomposed EFB Application (B/030-01/2019) and SOP- Soil and water conservation (C/002-01/2008). Soil analysis and foliar analysis are monitored on yearly basis by Agronomist. The recommendations for | | | | | Complied |

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| | | improvements are given to maintain the sustainable practices. They include use of chemical fertilizers, EFB and decanter cake. The visited estates Hwa Li 1 and 2 operate in accordance with the Agriculture Manual and standard operating procedures. The practices are consistently monitored by estate operation management and Regional Controller. | |
| 7.4.2 | Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health. - Minor compliance - | The frequency for soil analysis and leaf sampling are conducted annually. The foliar and soil sampling analysis reports by the company's agronomist were available at the estates. E.g. at Hwa Li 1 Foliar and Soil analysis were last conducted in February 2019 and March 2019 respectively for FY 2019/20 recommendation. | Complied |
| 7.4.3 | A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers. - Minor compliance - | EFB application is done as part of nutrient recycling strategy. Records were well kept in the estate's EFB book and EFB Month End Costing. Based on the records, the application of EFB in the field was in line with the SOP recommendation i.e. 40 mt/Ha. All EFB for Hwa Li 2 Estate, quantity 1802.12 mt for 2019 were sourced from Carotino POM but no EFB applied at Hwa Li 1 Estate due to uneconomical transportation cost being far away from the Carotino POM. The best practice of EFB application is described in the estate's SOP Manual. | Complied |
| 7.4.4 | Records of fertiliser inputs are maintained. - Minor compliance - | The records of fertilizers input were well maintained at the assessed estates. Among the type of records verified were: - Fertilizer Usage Record - Stock Card - Stock Issue Chit Verification of records against the recommendation of agronomist found tally. Sampled Field PR15B Block 1, 2, 3, 4 & 5 and Field PR17A at Hwa Li 2 Estate. Also checked that no fertilizer was applied at Hwa Li 2 Estate Field 91A block 4 & 5 as there is program to replant in FY 2021/22, thus in accordance to SOP where fertilizer should not be applied to blocks whose oil palm will be felled in the next two years. | Complied |
| Criterion 7.5 | | | |

| Practices minimise and control erosion and degradation of soils. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|----------|--------------|---|-------|---|---------|---|--------|---|--------|---|---------|---|--------|---|-------|---|--------|---|--------|----|---------|----|-------------|----|----------|----|---------|----|-------|----------|
| 7.5.1 | <p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Major compliance -</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 2 and Hwa Li Estate 1.</p> <table border="1" data-bbox="1055 517 1688 1023"> <thead> <tr> <th>No.</th> <th>Type of Soil</th> </tr> </thead> <tbody> <tr><td>1</td><td>Tebok</td></tr> <tr><td>2</td><td>Malacca</td></tr> <tr><td>3</td><td>Bungor</td></tr> <tr><td>4</td><td>Katong</td></tr> <tr><td>5</td><td>Segamat</td></tr> <tr><td>6</td><td>Rengam</td></tr> <tr><td>7</td><td>Lunas</td></tr> <tr><td>8</td><td>Jempol</td></tr> <tr><td>9</td><td>Durian</td></tr> <tr><td>10</td><td>Beserah</td></tr> <tr><td>11</td><td>Gong Chenak</td></tr> <tr><td>12</td><td>Kerayong</td></tr> <tr><td>13</td><td>Tai Tak</td></tr> <tr><td>14</td><td>Tawar</td></tr> </tbody> </table> | No. | Type of Soil | 1 | Tebok | 2 | Malacca | 3 | Bungor | 4 | Katong | 5 | Segamat | 6 | Rengam | 7 | Lunas | 8 | Jempol | 9 | Durian | 10 | Beserah | 11 | Gong Chenak | 12 | Kerayong | 13 | Tai Tak | 14 | Tawar | Complied |
| No. | Type of Soil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Tebok | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Malacca | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Bungor | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Katong | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Segamat | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Rengam | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Lunas | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Jempol | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Durian | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Beserah | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Gong Chenak | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | Kerayong | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | Tai Tak | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | Tawar | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.5.2 | <p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p> | <p>There was 0.6% slope classification >25° at Hwa Li Estate 2. The management decided to do minimum maintenance since the palms were planted in 1990. For Hwa Li Estate 1, majority of the area is undulating (37.92%) and only 1.43% under steep area.</p> <p>Recently, terracing and establishment of legume cover crop 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 inter-rows as ground covers to reduce surface water run-off and erosion. There is no significant erosion risk was noted during the field visit.</p> | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 7.5.3 | There is no new planting of oil palm on steep terrain. - Minor compliance - | No new planting of oil palm on steep terrain at both visited estates. | Complied |
| Criterion 7.6 | | | |
| Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations. | | | |
| 7.6.1 | (C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations. - Major compliance - | Referring to Indicator 7.5.1 above where soil series and terrain were analysed, the long-term suitability of land for oil palm cultivation had been taken into account in plans and operations. Guided by the Agricultural Manual and company other SOPs, planting density, land clearing and preparation, leguminous cover plant, manuring, weeding, pest and disease, no planting on steep terrain and others were followed to optimise land usage. | Complied |
| 7.6.2 | Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. - Minor compliance - | There was no marginal nor fragile soil in estates audited. | Complied |
| 7.6.3 | Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. - Minor compliance - | Recent replanting was observed at Hwa Li 2 Estate and not at Hwa Li 1 Estate. The soil map and topographic map dated 06.01.2011 prepared by JUPEM were sighted available at Hwa Li 2 Estate. It was noted that soil surveys, soil maps and topographic information and company SOPs have helped Hwa Li 2 Estate in planning replanting of oil palm. The effect of topography or local relief, soil parent material, and time on soil become apparent and significant in their land-use planning and resources studies. The topographic maps combined with soil maps helped in understanding soil and studying drainage, irrigation and hydrology. They provide insight to relief, slope and aspect of terracing required to plan resources for irrigation, drainage, FFB harvesting, truck crops, roads and other infrastructure. | Complied |
| Criterion 7.7 | | | |

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| No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly. | | | |
|--|---|---|----------------|
| 7.7.1 | <p>(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p> <p>- Major compliance -</p> | <p>There is no new planting reported and seen during site visit. Additionally, based on the soil map and observation during the site visit, there was no peat soil.</p> | Complied |
| 7.7.2 | <p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p>PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p> | <p>This indicator is not applicable as there is no peat soil present.</p> | Not applicable |
| 7.7.3 | <p>(C) Subsidence of peat is monitored, documented and minimised.</p> <p>- Major compliance -</p> | <p>This indicator is not applicable as there is no peat soil present.</p> | Not applicable |
| 7.7.4 | <p>(C) A documented water and ground cover management programme is in place.</p> <p>- Major compliance -</p> | <p>This indicator is not applicable as there is no peat soil present.</p> | Not applicable |
| 7.7.5 | <p>(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is</p> | <p>This indicator is not applicable as there is no peat soil present.</p> | Not applicable |

| | | | |
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| | <p>phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Major compliance -</p> | | |
| 7.7.6 | <p>(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance.</p> <p>- Major compliance -</p> | This indicator is not applicable as there is no peat soil present. | Not applicable |
| 7.7.7 | <p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Major compliance -</p> | This indicator is not applicable as there is no peat soil present. | Not applicable |
| <p>Criterion 7.8 Practices maintain the quality and availability of surface and groundwater.</p> | | | |

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| <p>7.8.1</p> | <p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>7.8.1b Workers have adequate access to clean water.</p> <p>- Minor compliance -</p> | <p>Water management plan is in place and incorporated under Environmental and Social Improvement Plan – West Pahang, doc. ref. N/009-2/2019 dated 21/11/19. The plan has included the availability of water sources and to avoid negative impacts on other users in the catchment. No restriction of access to clean water or contribute to pollution of water used by communities.</p> <p>Access to clean water is adequately provided to workers for household consumption. Water quality is being monitored on twice yearly basis to ensure water supply is safe for consumption. Latest test was carried out on 20/7/19 by 3rd party accredited laboratory, Premulab Sdn Bhd. Report dated 2/8/19 showed that all parameter tested were within 25th A Schedule, Sub-regulations 394(1), Standard For Water , Food Regulation 1985.</p> | <p>Complied</p> | | | | | | | | | | | | |
|-----------------|---|--|-----------------|-----------------------|-----|----|-------|----|-------|----|------|----|-----|---|-----------------|
| <p>7.8.2</p> | <p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Major compliance -</p> | <p>Guidelines on establishment of riparian buffer zone, doc. ref. C/001-03/2019, dated 27/4/19 in line with Department of Drainage and Irrigation's guidelines. Width of zones are guided by the followings:</p> <table border="1" data-bbox="925 837 1765 1042"> <thead> <tr> <th>River width (m)</th> <th>Buffer zone width (m)</th> </tr> </thead> <tbody> <tr> <td>>40</td> <td>50</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>1-5</td> <td>5</td> </tr> </tbody> </table> <p>Upstream and downstream of Sg Jekati's tributary analysed once a year. Last analysis was done 9/12/19 [ref.: report # IE1326/2019 by an accredited laboratory (SAMM No. 030) in accordance to "Guidelines on River Water Sampling Procedure" [C/011-01/2010, dated 4/2/2010]. Parameters tested were pH, BOD, COD, SS, AN and DO. Based on the latest results, there was no significant indication that pollutants from the estate had reached the rivers and overall within WQI at class II (WQI=78 @ 76.5 - 92.7 for WQI class II)</p> | River width (m) | Buffer zone width (m) | >40 | 50 | 20-40 | 40 | 10-20 | 20 | 5-10 | 10 | 1-5 | 5 | <p>Complied</p> |
| River width (m) | Buffer zone width (m) | | | | | | | | | | | | | | |
| >40 | 50 | | | | | | | | | | | | | | |
| 20-40 | 40 | | | | | | | | | | | | | | |
| 10-20 | 20 | | | | | | | | | | | | | | |
| 5-10 | 10 | | | | | | | | | | | | | | |
| 1-5 | 5 | | | | | | | | | | | | | | |

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| 7.8.3 | <p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p> | <p>The mill applies the biological system with 9 ponds and 2 tanks (methane capture) in series for its treatment of effluent. The quality of discharged effluent was analysed every month and the parameters are T, pH, BOD, COD, TS, SS, O&G, AN and TN. Results of the last 3rd and 4th quarter of 2019 were in compliance with limit stipulated in mill's compliance schedule.</p> | Complied | | | | | | | | | | | | |
|---|--|---|----------------------------|----------------------|---------------|-----------|---------|------|-----------------------|--------|----------|-----------|--------|------|----------|
| 7.8.4 | <p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p> | <p>Mill has maintained monitoring on water usage for processing which recorded on daily and summarized month end. Summary of 3 years water consumption trend:</p> <table border="1" data-bbox="954 660 1789 863"> <thead> <tr> <th>Financial Year (July-June)</th> <th>Consumption (m3/FFB)</th> </tr> </thead> <tbody> <tr> <td>FY17/18</td> <td>1.25</td> </tr> <tr> <td>FY18/19</td> <td>1.24</td> </tr> <tr> <td>FY19/20 todate Dec 19</td> <td>1.21</td> </tr> </tbody> </table> | Financial Year (July-June) | Consumption (m3/FFB) | FY17/18 | 1.25 | FY18/19 | 1.24 | FY19/20 todate Dec 19 | 1.21 | Complied | | | | |
| Financial Year (July-June) | Consumption (m3/FFB) | | | | | | | | | | | | | | |
| FY17/18 | 1.25 | | | | | | | | | | | | | | |
| FY18/19 | 1.24 | | | | | | | | | | | | | | |
| FY19/20 todate Dec 19 | 1.21 | | | | | | | | | | | | | | |
| <p>Criterion 7.9 Efficiency of fossil fuel use and the use of renewable energy is optimised</p> | | | | | | | | | | | | | | | |
| 7.9.1 | <p>A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented.</p> <p>- Minor compliance -</p> | <p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy is documented under Environmental and Social Improvement Plan – West (Pahang), doc. ref. N/009-02/2019 dated 21/11/19.</p> <p>Direct fossil fuel consumption summary:</p> <table border="1" data-bbox="925 1193 1762 1329"> <thead> <tr> <th>Financial Year (July-June)</th> <th>Diesel</th> <th>Litre per FFB</th> </tr> </thead> <tbody> <tr> <td>2017/2018</td> <td>51,836</td> <td>0.37</td> </tr> <tr> <td>2018/2019</td> <td>28,731</td> <td>0.20</td> </tr> <tr> <td>2019/2020</td> <td>20,740</td> <td>0.31</td> </tr> </tbody> </table> | Financial Year (July-June) | Diesel | Litre per FFB | 2017/2018 | 51,836 | 0.37 | 2018/2019 | 28,731 | 0.20 | 2019/2020 | 20,740 | 0.31 | Complied |
| Financial Year (July-June) | Diesel | Litre per FFB | | | | | | | | | | | | | |
| 2017/2018 | 51,836 | 0.37 | | | | | | | | | | | | | |
| 2018/2019 | 28,731 | 0.20 | | | | | | | | | | | | | |
| 2019/2020 | 20,740 | 0.31 | | | | | | | | | | | | | |

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| | | <p>Renewable energy consumption summary:</p> <table border="1"> <thead> <tr> <th>Financial Year (July-June)</th> <th>kWh</th> <th>kWh/CPO</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>5,259,371</td> <td>0.58</td> </tr> </tbody> </table> | Financial Year (July-June) | kWh | kWh/CPO | 2019 | 5,259,371 | 0.58 | |
|---|--|--|----------------------------|-----|---------|------|-----------|------|--|
| Financial Year (July-June) | kWh | kWh/CPO | | | | | | | |
| 2019 | 5,259,371 | 0.58 | | | | | | | |
| <p>Criterion 7.10 Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</p> | | | | | | | | | |
| 7.10.1 | <p>(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported. - Major compliance -</p> | <p>GHG emission is being monitored using Palm GHG v.3 (before Jan 2020) and new Palm GHG v4.</p> <p>RSPO GHG emission summary (2015 – 2018) 2015 : 0.38 t Coe/t product 2016 : 0.87 t Coe/t product 2017 : 1.2 t Coe/t product 2018 : 1.05 t Coe/t product 2019 : 2.02 t Coe/t product (result from incorrect input data)</p> <p>Contribution for the GHG emission are mainly from land conversion, CO2 and NO2 emission from fertilizer, fuel consumption and FFB production. Increasing trend for the GHG emission is due to replanting and low crop production. Incorrect input data reported in Palm GHG calculator. Details of data input checked:</p> <ol style="list-style-type: none"> 1) Maran Estate – NK Mix (palm GHG : 2032.4 mt vs actual: 2,060.35 mt), PMG Mix (palm GHG : 723.1 mt vs actual: 694.50 mt), 16.3 mt reported under BRP (palm GHG) but in actual record reported under Korn Kali. <p>Thus, a critical NC was issued.</p> | Critical | | | | | | |

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| 7.10.2 | (C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development). - Major compliance - | No development within Carotino Production Unit since 2014. | Complied |
| 7.10.3 | (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored. - Major compliance - | Significant pollutants identification and plans are documented under Environmental and Social Improvement Plan – West (Pahang), doc. ref. N/009-02/2019 dated 21/11/19. Implementation of plan is being monitored by appointed person in charge with target of time frame for completion. | Complied |
| Criterion 7.11 | | | |
| Fire is not used for preparing land and is prevented in the managed area | | | |
| 7.11.1 | (C) Land for new planting or replanting is not prepared by burning. - Major compliance - | Replanting policy is based on Guideline on Group’s Long Term Replanting Planning, doc. ref. A/016-06/2019 dated 16/5/19 written as; “To ensure and to promote the nutrient recycling into the ground, all old palms standing in the field will be felled, chipped, stalked and decomposed in the field naturally without using fire. Group prohibited the form of replanting by use fire as part of field preparation”. No replanting at Hwa Li 1 and 2 estate. | Complied |
| 7.11.2 | The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance - | Fire prevention and control measures process is documented under Guidelines On Fire Prevention, Control (Fire Extinguisher Selection, Placement, Use, Maintenance, Inspection, Records, Fire Drill) and Stake holder Engagement, doc. ref. M/017-02/2019 dated 18/10/19. | Complied |
| 7.11.3 | The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance - | Guidelines On Fire Prevention, Control (Fire Extinguisher Selection, Placement, Use, Maintenance, Inspection, Records, Fire Drill) and Stake holder Engagement, doc. ref. M/017-02/2019 dated 18/10/19 has included the engagement process with stakeholder. Plan for the stakeholder engagement plan in 2020 during stakeholder meeting. | Complied |

| Criterion 7.12 Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced. | | | |
|---|--|---|----------|
| 7.12.1 | <p>(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Major compliance -</p> | <p>No new development within Carotino Production Unit.</p> | Complied |
| 7.12.2 | <p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>7.12.2b Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE: Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p> | <p>A final 'A conservation assessment of Carotino's Peninsular Malaysian Estates – Conservation values and recommendations' dated 22 January 2008 by WildAsia is made available. The report identifies habitat areas of significance within the estates and makes recommendations for their conservation. This includes a timetable for implementation of riverine buffers and suggests support for the conservation of lowland forest and karsts areas surrounding the estates.</p> <p>No new planting after 15 November 2018 within Carotino Production Unit and no hCV area identified within the management unit.</p> | Complied |

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| | - Major compliance - | | |
| 7.12.3 | Indicator is not applicable in Malaysia context. | | Not applicable |
| 7.12.4 | (C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified). - Major compliance - | No new planting after 15 November 2018 within Carotino Production Unit. | Not applicable |
| 7.12.5 | Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas. - Minor compliance - | No local communities have been identified in HCV areas, HCS forest after 15 November 2018. | Not applicable |
| 7.12.6 | All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and | A programme to regularly educate the workforce about the status of RTE species is in place. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signage was utilised as part of creating awareness among employees on the restriction of poaching/capturing/harming/collecting/killing the RTE species | Complied |

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| | <p>documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species. - Minor compliance -</p> | <p>Summary of training carried at all visited estates;</p> <table border="1" data-bbox="925 395 1765 496"> <thead> <tr> <th>Estate</th> <th>Training</th> <th>Date of training</th> </tr> </thead> <tbody> <tr> <td>Hwa Li 1</td> <td>HCV/Biodiversity</td> <td>30/12/19</td> </tr> <tr> <td>Hwa Li 2</td> <td>HCV training</td> <td>27/8/19</td> </tr> </tbody> </table> | Estate | Training | Date of training | Hwa Li 1 | HCV/Biodiversity | 30/12/19 | Hwa Li 2 | HCV training | 27/8/19 | |
|----------|---|---|----------------|----------|------------------|----------|------------------|----------|----------|--------------|---------|--|
| Estate | Training | Date of training | | | | | | | | | | |
| Hwa Li 1 | HCV/Biodiversity | 30/12/19 | | | | | | | | | | |
| Hwa Li 2 | HCV training | 27/8/19 | | | | | | | | | | |
| 7.12.7 | <p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. - Minor compliance -</p> | <p>No new planting after 15 November 2018 within Carotino Production Unit. Thus, this indicator is not available.</p> | Not applicable | | | | | | | | | |
| 7.12.8 | <p>(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies. - Major compliance -</p> | <p>No land clearing since without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018 within Carotino Production Unit. Thus, this indicator is not available.</p> | Not applicable | | | | | | | | | |

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Appendix B: Approved Time Bound Plan

| No. | Production Units | Location | Status | TBP | Remark |
|-----|--------------------------------|-------------------|-------------|--|---|
| 1 | Asia Palm Oil Mill | | Certified | Certified on 31/01/2013 Recertification completed in November 2017. | |
| | i) Melewar Estate 2 | Lahad Datu, Sabah | | | |
| | ii) Hwa Li Estate 3 | Lahad Datu, Sabah | | | |
| | iii) Asia Oil Palm Estate 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 | | | |
| | 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 1 | Segamat, Johor | | | |
| | iv) Hwa Li Estate 2 | Segamat, Johor | | | |
| | v) Pahang Oil Palm Estate 1 | Kuantan, Pahang | | | |
| 4 | Takon Palm Oil Mill | | Uncertified | 28/10/2019 – 02/11/2019 for Main Assessment | The Group has achieve 100% RSPO certification for all Operating Units under the management of JC Chang Group by end of 2019. The last Production Unit namely Takon Production Unit have undergone RSPO main assessment on 28/10 to 1/11/19 with a positive result and the CB will recommend Takon Unit for RSPO certification. However the certificate is yet to be issued due to pending approval from RSPO on the concept note. |
| | 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: GHG Reporting Executive Summary

The GHG emissions that were produced in **2019** for **Carotino Palm Oil Mill** and supply base was calculated using the PalmGHG Calculator version 4. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in **2019** for **Carotino Palm Oil Mill** and supply base are as following:

| Emission per product | tCO ₂ e/tProduct |
|----------------------|-----------------------------|
| CPO | 1.20 |
| PK | 1.20 |

| Extraction | % |
|------------|-------|
| OER | 20.35 |
| KER | 4.95 |

| Production | t/yr |
|--------------|------------|
| FFB Process | 153,383.48 |
| CPO Produced | 31136.68 |
| PKO Produced | 7,596.79 |

| Land Use | Ha |
|-----------------------------|-----------------|
| OP Planted Area | 9,007.06 |
| OP Planted on peat | 0 |
| Conservation (forested) | 0 |
| Conservation (non-forested) | 296.20 |
| Total | 9,303.26 |

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 | 93309.89 | 0.61 | 0 | 0 | 0 | 0 | 93309.89 | 0.61 |
| CO ₂ Emission from fertilizer | 7868.65 | 0.05 | 0 | 0 | 0 | 0 | 7868.65 | 0.05 |
| NO ₂ Emmision from fertilizer | 5916.52 | 0.04 | 0 | 0 | 0 | 0 | 5916.52 | 0.04 |
| Fuel Consumption | 2735.88 | 0.02 | 0 | 0 | 0 | 0 | 2735.88 | 0.02 |
| Peat Oxidation | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Sink | | | | | | | | |
| Crop Sequestration | -63753.70 | -0.42 | 0 | 0 | 0 | 0 | -75,559.29 | -0.49 |

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|----------------------------|-----------------|-------------|----------|----------|----------|----------|-----------------|-------------|
| Conservation Sequestration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 46077.24 | 0.30 | 0 | 0 | 0 | 0 | 46077.24 | 0.30 |

**Note: Includes both estates and smallholders*

Summary of Mill Emission and Credit

| | tCO ₂ e | tCO ₂ e/tFFB |
|------------------------------|--------------------|-------------------------|
| Emission | | |
| POME | 3816.53 | 0.02 |
| Fuel Consumption | 188.32 | 0 |
| Grid Electricity Utilisation | 0 | 0 |
| Credit | | |
| Export of Grid Electricity | -3,456.47 | -0.02 |
| Sales of PKS | 0 | 0 |
| Sales of EFB | 0 | 0 |
| Total | 548.38 | 0.01 |

Summary of Kernel Crusher Emission and Credit (if applicable)

| Emissions | tCO ₂ e |
|--------------------------------|--------------------|
| PK from own mill | 0 |
| PK from other source | 0 |
| Fuel Consumptions | 0 |
| Total Crusher emissions | 0 |

*This mill has no kernel crusher operation.

| Palm Oil Mill Effluent (POME) Treatment: | |
|---|-----|
| Divert to Compost (%) | 0 |
| Divert to anaerobic diversion (%) | 100 |

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

Appendix D: Supply Chain Declaration

| A. Monthly Records of Certified and Uncertified FFB Received since the last audit (Jan 2019-Dec 2019) | | | | |
|--|-------------------|---|---|-----------------------------|
| No. | Month-Year | Volume of FFB from certified supply bases (mt) | Volume of FFB from uncertified supply bases (mt) | Total FFB/Month (mt) |
| 1 | Jan 2019 | 15,746.46 | - | 15,746.46 |
| 2. | Feb 2019 | 13,294.72 | - | 13,294.72 |
| 3. | Mac 2019 | 14,432.49 | - | 14,432.49 |
| 4. | April 2019 | 14,128.65 | - | 14,128.65 |
| 5. | May 2019 | 12,606.31 | - | 12,606.31 |
| 6. | June 2019 | 10,934.54 | - | 10,934.54 |
| 7. | July 2019 | 11,610.51 | - | 11,610.51 |
| 8. | August 2019 | 11,712.23 | - | 11,712.23 |
| 9. | Sept 2019 | 11,413.79 | - | 11,413.79 |
| 10. | Oct 2019 | 11,743.83 | - | 11,743.83 |
| 11. | Nov 2019 | 10,606.99 | - | 10,606.99 |
| 12. | Dec 2019 | 9,711.70 | - | 9,711.70 |
| | Total | 147,942.22 | - | 147,942.22 |

| B. Monthly Records of Certified CPO & PK since the last audit (Jan 2019-Dec 2019) | | | |
|--|---------------------|---------------------------|--------------------------|
| No. | Month - Year | Certified CPO (mt) | Certified PK (mt) |
| 1 | Jan 2019 | 4,175.03 | 971.17 |
| 2 | Feb 2019 | 2,797.82 | 684.07 |
| 3 | Mac 2019 | 2,978.95 | 800.94 |
| 4 | April 2019 | 2,907.74 | 739.23 |
| 5 | May 2019 | 2,536.42 | 595.26 |
| 6 | June 2019 | 2,252.01 | 470.15 |
| 7 | July 2019 | 2,460.97 | 487.28 |
| 8 | August 2019 | 2,458.38 | 562.11 |
| 9 | Sept 2019 | 2,362.47 | 577.27 |
| 10 | Oct 2019 | 2,382.35 | 583.08 |
| 11 | Nov 2019 | 2,180.20 | 463.76 |

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| | | | |
|----|--------------|-----------|----------|
| 12 | Dec 2019 | 1,941.34 | 488.15 |
| | Total | 31,433.68 | 7,422.47 |

C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any) (Jan 2019-Dec 2019)

| No | Buyers Name | Palmtrace Trading License Number | Certified CPO Sold (mt) | Certified PK Sold (mt) |
|----|------------------|--|-------------------------|------------------------|
| 1 | Carotino Sdn Bhd | TR-b7ecd70d-5917 TR-204c44b0-1413 TR-fe4d554f-6e5e TR-8cea127d-c42a TR-1ccbec00-87a8 TR-d51b5179-ed0e TR-14364df9-5431 TR-affd8821-4229 TR-8d348a53-58f3 TR-8539b107-e613 TR-13d685d8-9c93 TR-830bf81f-00f2 TR-d45b01a2-ae90 TR-8836ab84-3b48 TR-04c0136d-89f7 TR-0190c5ed-de5b TR-edf3324b-16be TR-413dfbdc-03ee TR-0d58af6a-7a5c TR-11794806-1e86 TR-9891a978-def4 TR-f7e99388-dc4f TR-ddf4b284-9662 TR-62209e2c-a494 TR-b6a69753-aa52 TR-f3064c9f-d477 TR-896090bf-bd7f TR-20c6bf84-f256 TR-6d2f3f28-a243 TR-f063562c-187b TR-32d839fd-5a7a TR-9acb78a4-ce1b TR-d33fe990-3168 TR-f5f9bde3-ed02 TR-fd1763dc-d073 TR-08d2e647-44c1 TR-e1c47ce4-8edd TR-e7456c2f-2878 TR-c002718a-e626 TR-98013c84-20a6 TR-9acfe601-8c8c TR-a65631a5-8e9c TR-db048119-2bab TR-51e3941f-eaec | 15785.27 | |

| | | | | |
|--|--|---|--|--|
| | | <p>TR-56f9b8e9-f3f6 TR-4c80f109-837a TR-9b177ef6-f76d TR-28f829a6-d607 TR-4f8c9251-8210 TR-09d377f4-b9b0 TR-aa0fetc4-22ee TR-c8d49e4e-75a5 TR-977db0e6-d4ba TR-995a63f9-5669 TR-03d08f7c-6fde TR-13d94af4-bc12 TR-bd8e9b06-99d4 TR-3a764822-1801 TR-06d2a2ce-ad2f TR-cc32e3cf-878d TR-13cad9b6-b973 TR-c35e0373-6f34 TR-bd3290c4-4756 TR-866080b0-40d7 TR-c0a91f0d-d505 TR-2b161b08-0d32 TR-52cb2a38-c539 TR-72e7e356-82af TR-d0c4dfee-0f72 TR-0b153059-58d5 TR-3ef1816c-f123 TR-e99b0eec-e5f7 TR-b9cf6b56-6987 TR-59d1ac70-ea58 TR-bc2c23b1-7a3b TR-085de7c4-8183 TR-de3cfcda-dc0d TR-37334065-dd05 TR-b9b50bc5-e826 TR-d259bb10-934a TR-9f5b52f5-7c44 TR-abba65c8-9044 TR-48dfa26f-aad2 TR-b3180d05-4b7b TR-de9f58ae-2acd TR-cdc3f59a-dd9a TR-56d99d3c-ac0d TR-b08e32a1-027c TR-005a2757-511a TR-bd258cd8-5166 TR-a8eccc7e-0b73 TR-3405a7a1-3f41 TR-5cc8404d-a672 TR-35b284e8-6df9 TR-14d42362-aa84 TR-f638e504-9ae3</p> | | |
|--|--|---|--|--|

| | | | | |
|--|--|---|--|--|
| | | <p>TR-ed108eba-93df TR-c7ce56d8-62cc TR-2af6699e-a0df TR-e9fabd84-23ed TR-303fd1f5-3512 TR-66d67641-5452 TR-4ca325f6-a019 TR-ee1f72c9-e3da TR-2b5c4317-98f1 TR-14e09eec-edda TR-4497506e-cfad TR-299df47b-73da TR-97ff588b-f54f TR-9246be8d-92e1 TR-022374dd-a412 TR-dc9221ae-c6b7 TR-163c87ec-535f TR-db86b569-dfc6 TR-07bda939-5f5d TR-dae04eef-dc05 TR-c76a2855-5041 TR-f3c8e129-42a2 TR-f939ca68-e3c9 TR-5622b2be-0833 TR-c0f6eb7d-9388 TR-ec5b211a-c2c6 TR-19d36920-0d4e TR-4e65760b-1d8e TR-f46bd31d-c4b2 TR-fe08f4ef-223f TR-2fd51403-e64b TR-e5e188f1-cb5e TR-d3a6f875-6838 TR-44f0c3b8-e0c5 TR-ce26841f-ef2f TR-2a05be53-760f TR-859a1145-6c9e TR-2bb62f95-eed3 TR-f22b8e72-90ac TR-1c8053f7-1f10 TR-9500816f-9ae3 TR-665b0734-be93 TR-3f3457e7-c2fe TR-935c12bd-8622 TR-fed0cc93-626c TR-14b5238c-ed6c TR-694ad096-d87e TR-a3f08e0b-6cd4 TR-caf019a0-973d TR-42c0f3a8-db99 TR-6be1f2b5-0881 TR-a74d36c9-b6a5</p> | | |
|--|--|---|--|--|

| | | | | |
|--|--|---|--|--|
| | | <p>TR-7c065605-e37f TR-e22e6e5e-2863 TR-3a24d395-5946 TR-ba545b65-1d91 TR-5c9f5222-551d TR-1bddf0e7-96ff TR-12e0d1ca-416c TR-0bd42bc5-f336 TR-6a9d8e01-504d TR-12982f5b-075e TR-e6685470-2001 TR-3037d23f-f6d8 TR-dc097e4d-7531 TR-4742d7f7-4622 TR-ef3e9cab-a2d3 TR-ed37e1d9-71ad TR-7fe29218-db18 TR-e4668434-853e TR-5c3d700c-9f02 TR-c6f83b8a-d013 TR-56d2a965-de00 TR-23107ea5-e22f TR-dc3ce260-60a5 TR-b5122736-e5e4 TR-5dbbb6ee-3d79 TR-e8d12f1d-2ec6 TR-22731cba-2ebf TR-66fc0eb0-9059 TR-0d16851b-e9f9 TR-ed7d085e-7112 TR-235593a5-c9b8 TR-d4ea3d35-97ac TR-963ef32b-0c10 TR-37591970-c8cd TR-9cce6566-09b2 TR-996de927-c6d9 TR-72583be5-c4d5 TR-c409be02-dac9 TR-b76a0201-ca30 TR-13404c9a-e128 TR-39f015c2-e948 TR-89e9da01-b0e6 TR-31cd404e-2af0 TR-dfad2ce1-306e TR-912c78e4-ad9e TR-95524ec7-d04e TR-44fe4e9c-e2cf TR-4276058a-2581 TR-9f785c1e-14a3 TR-46c25412-2fa0 TR-37a4e217-d234 TR-f0e1523a-e593</p> | | |
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|--|--|--|--|--|
| | | TR-dfae4a0d-0121 TR-cb5071b9-3fd4 TR-1b5b71c3-ebdd TR-ca758aa3-2e2b TR-0e319b48-c208 TR-fcbd659c-3eec TR-13e351b6-b85b TR-3e5b977f-bf40 TR-48da9ab7-5394 TR-a8dffe9d-2964 TR-d6e3978c-10fa TR-8dc25d12-e864 TR-1ad3f2c8-f0c6 TR-1e9ab7e2-861c TR-cb36b19b-08e5 TR-09922faa-390d TR-7cfb6317-e90a TR-d2ffa771-b9b2 TR-68f16e05-ff92 TR-e90d5992-9f46 TR-d91ed8fa-6bdd TR-66629848-ad9d TR-c98023a2-bba6 TR-d0e0166f-7e96 TR-c2317ec1-6654 TR-1a9e1112-8755 TR-85fa4df3-6621 TR-af54d289-bb65 TR-e348b31f-f71b TR-a55a4059-b8d2 TR-31e9d5d3-d292 TR-8489a709-7218 TR-c5d114e7-81d3 TR-bceb14ef-4cf8 TR-926619db-6491 TR-025bdd53-34d7 TR-4943f82f-a55d TR-93177287-a36f TR-784204d4-e038 TR-a0cdda08-7299 TR-6ad45021-f8ab TR-6f17eaa0-ad1b TR-92828ca1-27d3 TR-7e85c34e-b650 TR-7decfaaf-f523 TR-de892757-f4b7 TR-63c71b08-a59f TR-9b19f11d-bbaa TR-39ab4744-6ff5 TR-7a0b9a4b-c7d6 TR-cecb07e7-e02e TR-74147bef-b9a6 | | |
|--|--|--|--|--|

| | | | | |
|--|--|---|--|--|
| | | <p>TR-e3bb291e-2afb TR-167e2e0f-e7a4 TR-b7e2c28f-cd0c TR-77b5519c-b86a TR-ab405b30-4474 TR-6c395fdf-597a TR-44a513db-fb0b TR-9a21768b-5c5d TR-ca2c71a5-d2a9 TR-5b8f2858-d05d TR-448a3514-3544 TR-951fe6a8-5805 TR-011379a2-b62c TR-50af259b-7822 TR-f6b6acd6-3fe5 TR-3bbb15b8-2e22 TR-b25a84da-b2e8 TR-10fd53c3-cdb6 TR-89b940e5-180a TR-970144cf-8523 TR-37facdfa-5e52 TR-f32a931a-200f TR-17b0a61b-5150 TR-582501e6-f304 TR-397a97fb-ab40 TR-22dc6a2c-2d29 TR-7776e0eb-a34f TR-fa8586bd-12dc TR-7d33040e-03e2 TR-9416be7e-4205 TR-d67f9e5e-57c7 TR-b3220589-c6dd TR-c1cee00c-a265 TR-dad69541-cbf7 TR-d3f24939-1fcd TR-9c6ea710-c255 TR-ca6cf500-9c69 TR-0020a20c-d8c7 TR-d9d25f64-c144 TR-a574dd94-3431 TR-1ce751cb-99fe TR-71e0a0e5-888c TR-ffc5d611-9a07 TR-46f9982b-1d67 TR-30ad3db4-f95b TR-9866d9f2-24be TR-96082ad3-aea6 TR-97ea65dc-65bf TR-34bca726-81ae TR-7e9d9d01-eb4f TR-c1e8b64d-25a9 TR-6378e6bf-2bd5</p> | | |
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| | | <p>TR-8849ba31-bc82 TR-2c3697b7-8a11 TR-d1d2396e-f99f TR-0f9400d0-9ec9 TR-a6a2d377-214f TR-9739ff10-ea79 TR-0a217991-e828 TR-e1176979-693d TR-4722d94c-c19f TR-4edc3765-ad55 TR-c51bff00-1015 TR-de575bd2-49cd TR-3492242e-cc07 TR-c94e077c-3c12 TR-d7fdef01-5728 TR-5b13ae4a-d0e5 TR-9cd5f6fb-279a TR-e26ab4ab-91ac TR-7a5e6870-a022 TR-c6bb8d0d-ed55 TR-26e68141-3611 TR-54f463df-55c9 TR-c8d4c8e2-f207 TR-b28f2f41-9620 TR-1f2a549d-fcb9 TR-adf0849e-7eb9 TR-1fd6ca6d-0d2a TR-0f26353f-9c4d TR-585bb977-987d TR-f7524c48-f8af TR-e07f3d4e-f2ca TR-af2bfb86-d0e5 TR-5b8a0be6-cf19 TR-5a482eb2-52bc TR-eaad31af-bc41 TR-5d7a0197-833c TR-fa63f8cb-e409 TR-b21b37e2-3e5f TR-bf69b7a8-81ab TR-e711b869-5109 TR-82a31d48-3e6f TR-a9b7d2ae-d893 TR-9c00799f-3ed7 TR-89f26358-f7f0 TR-1b3e5083-d8ae TR-9f01b35f-e2fd TR-c03eca05-052b TR-6b97b49c-0854 TR-639a02d2-c3d3 TR-a8514978-5295 TR-a00175bd-399e TR-1f97cbeb-e4d4</p> | | |
|--|--|---|--|--|

| | | | | |
|--|--|--|--|--|
| | | TR-81b52a40-cbe9 TR-5030602c-1253 TR-8d4ca6b1-3e0c TR-7beb84cf-c22c TR-4e128ed1-962b TR-d648264d-16ae TR-e6c841ba-02c9 TR-2353fda9-01ee TR-48642b56-aa05 TR-c1198e4d-bc60 TR-81ff5b50-4b38 TR-2f85b118-9074 TR-708c7547-27a0 TR-966308ea-54d9 TR-eca53626-c116 TR-296b4ae4-8cc6 TR-fcc13939-7fe8 TR-79eff9ab-7299 TR-98418f69-94cc TR-de97b6cc-48ee TR-26dbe99a-9c4b TR-fccfe359-50d5 TR-b4bc71c6-f111 TR-8969c8eb-baa5 TR-a4ea76f3-0377 TR-c96e78e4-845f TR-d564c629-1798 TR-0e46f4ec-21a8 TR-918b46c6-7212 TR-acdb5fdf-a4af TR-1bd81a6c-3f5c TR-f04ff7e7-23f6 TR-14cb0780-e5b3 TR-5fcd2cf2-6071 TR-344b676b-7dcc TR-f82a7696-7dde TR-5c45ec4a-e0e9 TR-600a6acb-1dd9 TR-23e3aba3-504d TR-d70184c7-c0cc TR-a1e57f2f-2d29 TR-0394dc2f-8c4a TR-7005e6fc-e7f9 TR-0751329d-e1b1 TR-b69b011a-bd2c TR-1271f1c9-8f66 TR-1ca0d921-f52c TR-d0d2c748-9d3a TR-72425704-38cd TR-e3ec8b3d-66dd TR-5d51386b-708c TR-6f5a1ecb-169c | | |
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|---|------------------------------|--|--|----------|
| | | TR-d7291329-a7a2 TR-a79f823e-4277 TR-b54b2e41-27f4 TR-79b970b8-84f2 | | |
| 2 | Sang Kee Edibles Oil Sdn Bhd | TR-be89dbb7-5f01 TR-bc54edab-0e2b TR-67368d8b-075b TR-c480b40e-70e3 TR-da01793e-b01d TR-326d31f5-262e TR-8aade653-0d99 TR-117fcc20-8e45 TR-4506d5ba-2606 TR-1ec7f166-1132 TR-e59fdeba-6437 TR-2db41436-9ea5 TR-382307e3-0752 TR-f727821f-6ad5 TR-578f78db-04a9 TR-44458e0b-a5dd TR-42501062-617b TR-cb3d97cf-6bce TR-2fa8fedc-878b TR-0c0d75fe-c8f2 TR-cf24c50b-eb9a TR-9307fe02-d499 TR-59678610-21ee TR-388c8bfe-ddff TR-7d0eeb0d-9867 TR-f1c2d71e-f862 TR-30983f93-ef8b TR-408063a8-9dcc TR-4ff70b42-7b94 TR-7b3ad204-7f70 TR-e80f8ea4-2a0d TR-e6264a31-51c5 TR-b2fc9c87-d0a0 TR-43427be3-24fc TR-50542e8b-2af7 TR-454ac9c8-1df2 TR-cea7adb9-2f6d TR-f42f4bc7-44a7 TR-585bf8e5-2e46 TR-033d80fa-76d0 TR-5c59b256-c859 TR-a739eeaa-e1af TR-acd78d5f-d982 TR-64d40367-fe0f TR-bd9d5318-8a99 TR-2418a1a2-83e3 TR-4063391a-b01c TR-c2d869bd-8d36 | | 2,354.05 |

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| | | | | |
|--------------|-----------------------------|---|------------------|-----------------|
| | | TR-d28adcef-daae TR-9c910dc2-3475 TR-359acc7-fca1 TR-4f1813ea-ca63 TR-943d5f3f-f283 TR-7d397790-1f19 TR-a8796662-4ec2 TR-df2bc7f0-174e TR-16081506-0ae4 TR-f6e6d80e-0cde TR-9d21dc7b-8c22 TR-e68d0da6-1fc8 TR-74a7d17d-a7e0 TR-c203b411-36ec TR-41ae2e7f-8f62 TR-66bd2ffd-4618 | | |
| 3 | PGEO Oil Mill Sdn Bhd | TR-57cb08ae-5661 TR-f671f4ea-9520 TR-c9c80241-7587 TR-f7a3d87b-9da4 TR-b9888aa2-5550 TR-26b47363-1d33 TR-73476013-af47 TR-c2b2de42-0c83 TR-2d83e43a-bc36 TR-52dc4e38-b588 TR-665d836f-8129 | | 3300.00 |
| 4 | Jin Lee (Oil Mills) Sdn Bhd | TR-18ed0e77-a439 TR-fee16f6c-d33e TR-89bcc118-b7d2 TR-ae65baa3-8a2b TR-9e862241-77e8 TR-0cfd93f9-d779 TR-5ff1a83e-ab37 TR-b3758c53-9bb2 TR-f266181a-7467 TR-f772ed3c-04bd TR-d07c6c60-f5d4 TR-24d529bd-902a TR-872739e9-a5a9 | | 482.34 |
| Total | | | 15,785.27 | 6,136.39 |

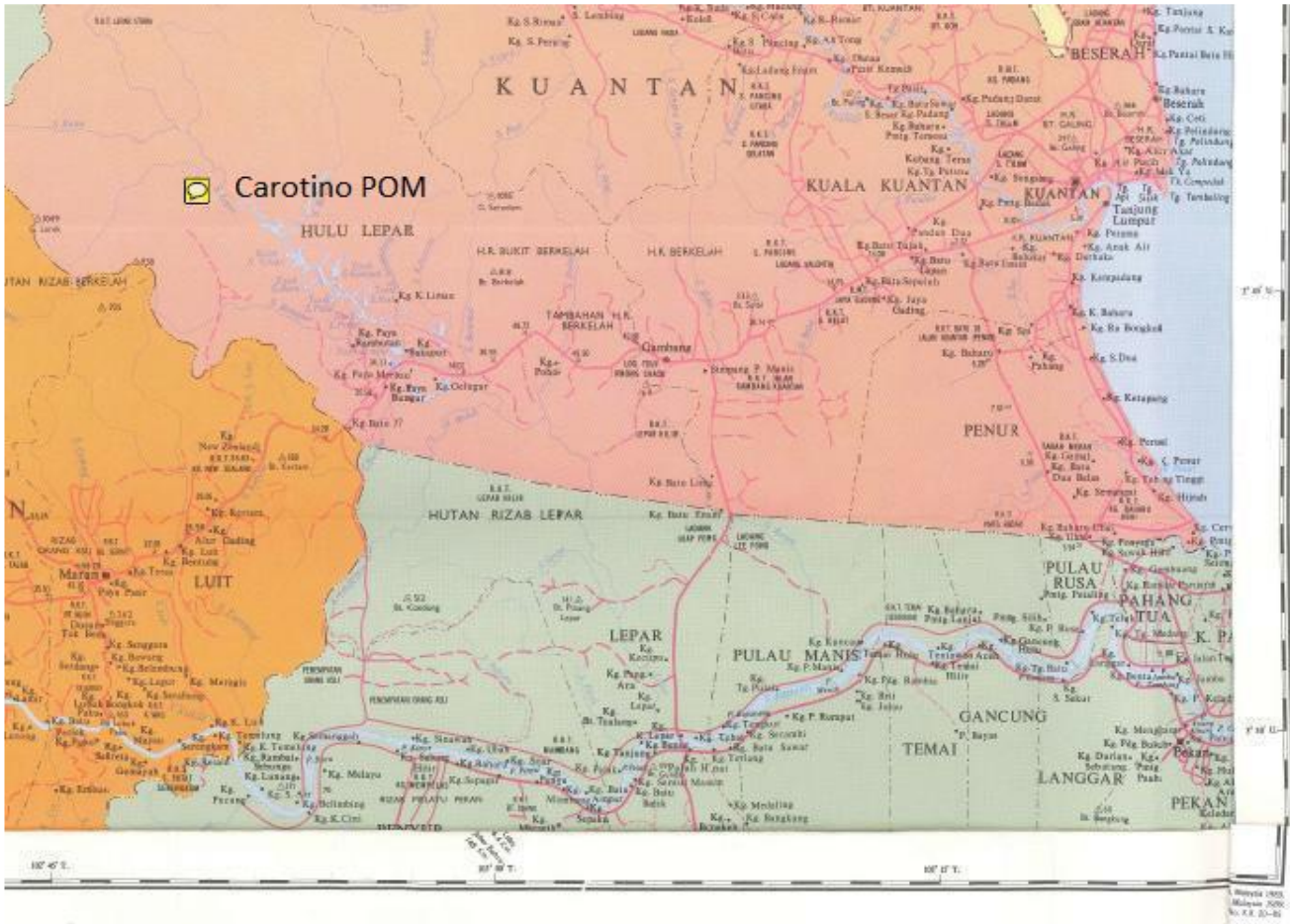
| D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any) (Jan 2019-Dec 2019) | | | | |
|--|--------------------|--------------------|----------------------|---------------------|
| No. | Buyers Name | Scheme Name | CPO Sold (mt) | PK Sold (mt) |
| 1 | Carotino Sdn Bhd | ISCC | 14,584.09 | - |
| | | | | |

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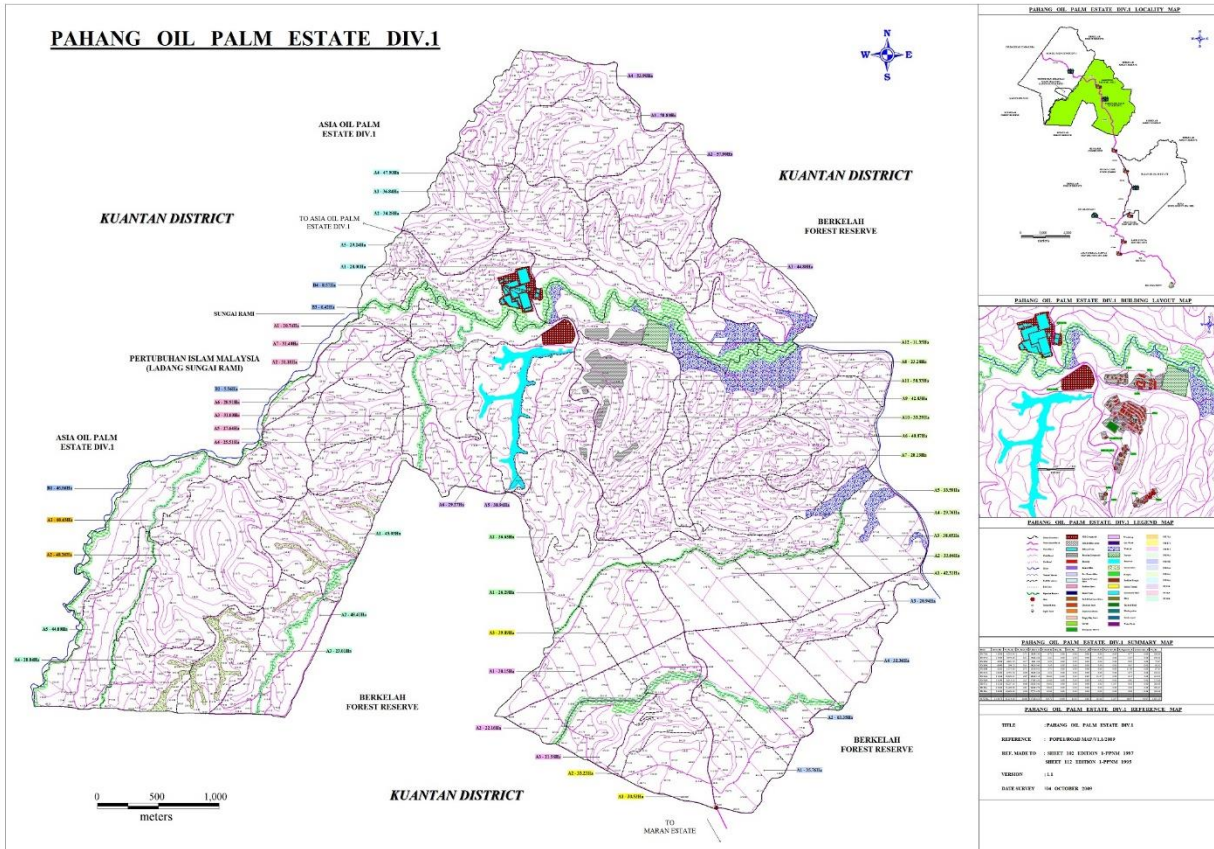
| E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any) (Jan 2019-Dec 2019) | | | |
|--|--------------------|----------------------|---------------------|
| No. | Buyers Name | CPO Sold (mt) | PK Sold (mt) |
| 1. | Carotino Sdn Bhd | 493.68 | - |
| 2 | Lee Oil Mills | - | 934.31 |
| | Total | 493.68 | 934.31 |

| F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any) (Jan 2019-Dec 2019) | | | |
|--|--------------------|---|--|
| No. | Buyers Name | PalmTrace Trading License Number | RSPO Credits of Certified CPO Sold (mt) |
| - | - | - | - |
| | | | |

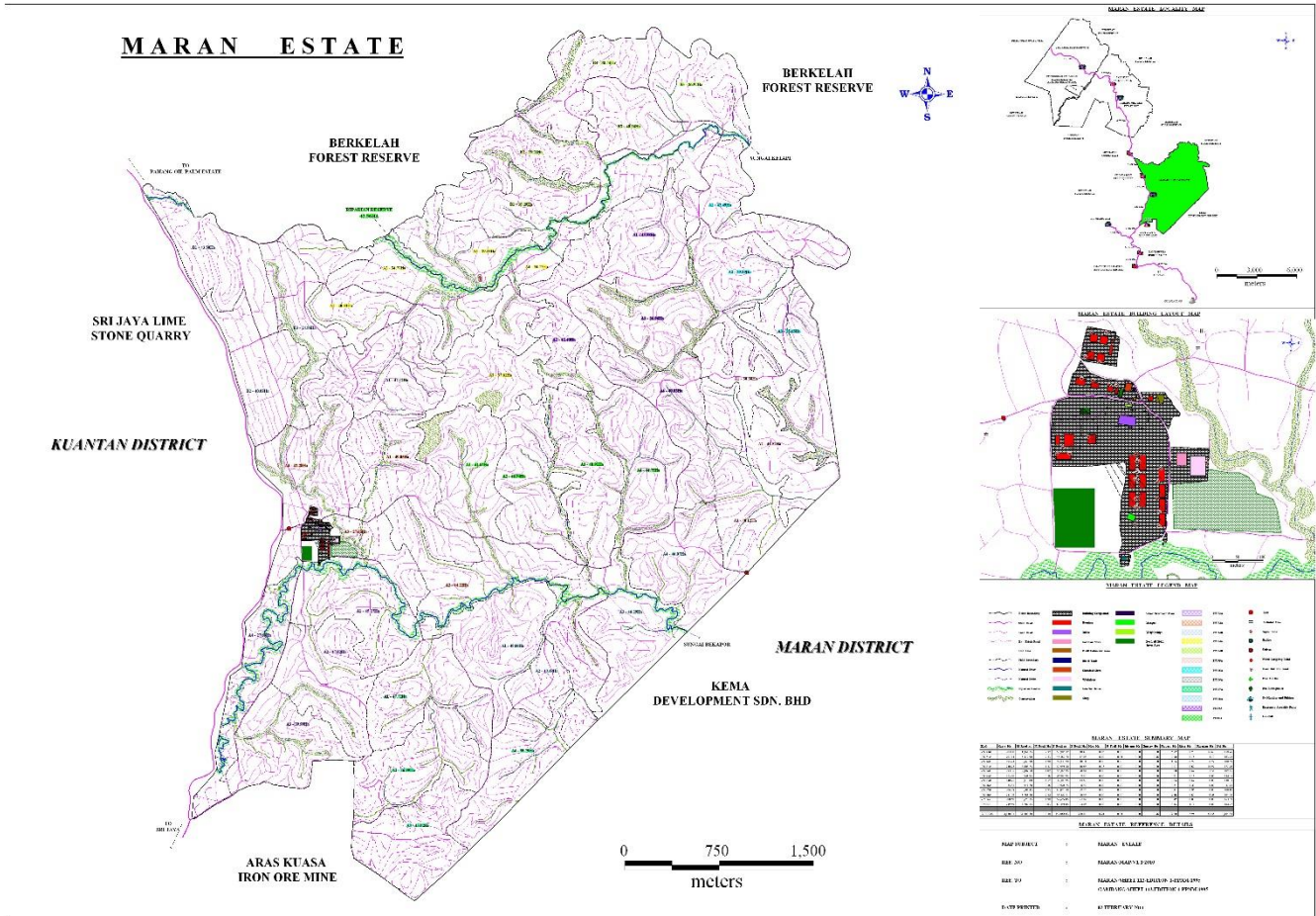
Appendix E: Location Map of Carotino Palm Oil Mill Certification Unit and Supply bases



Appendix F: Pahang Oil Palm Estate 1 Field Map

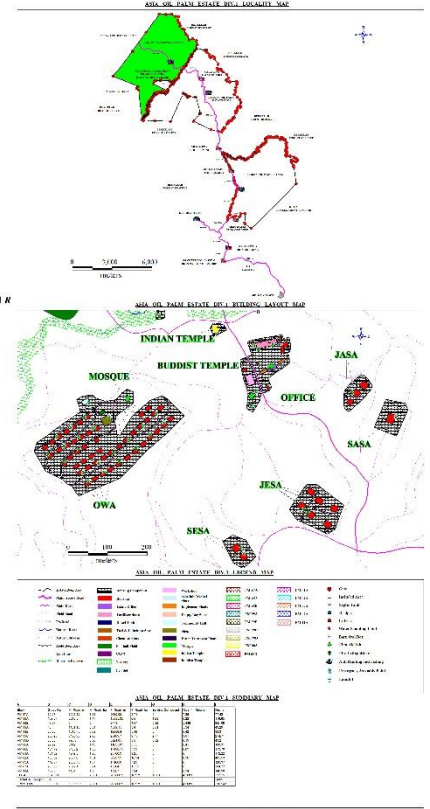
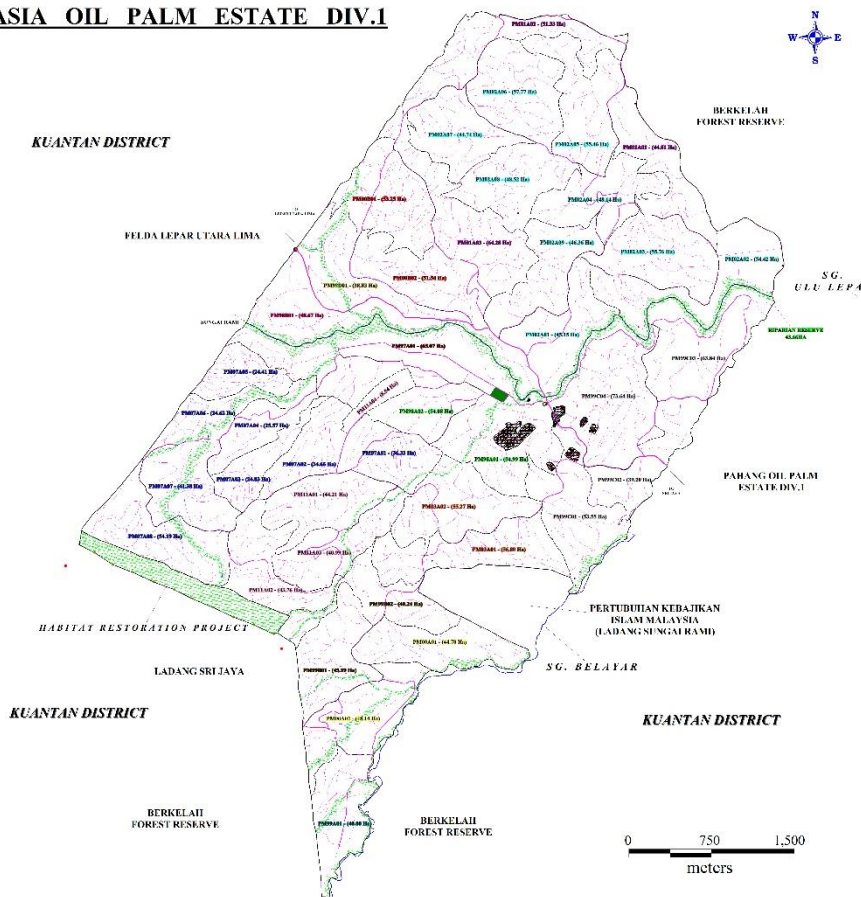


Appendix G: Maran Estate Field Map



Appendix H: Asia Oil Palm Estate 1 Estate Field Map

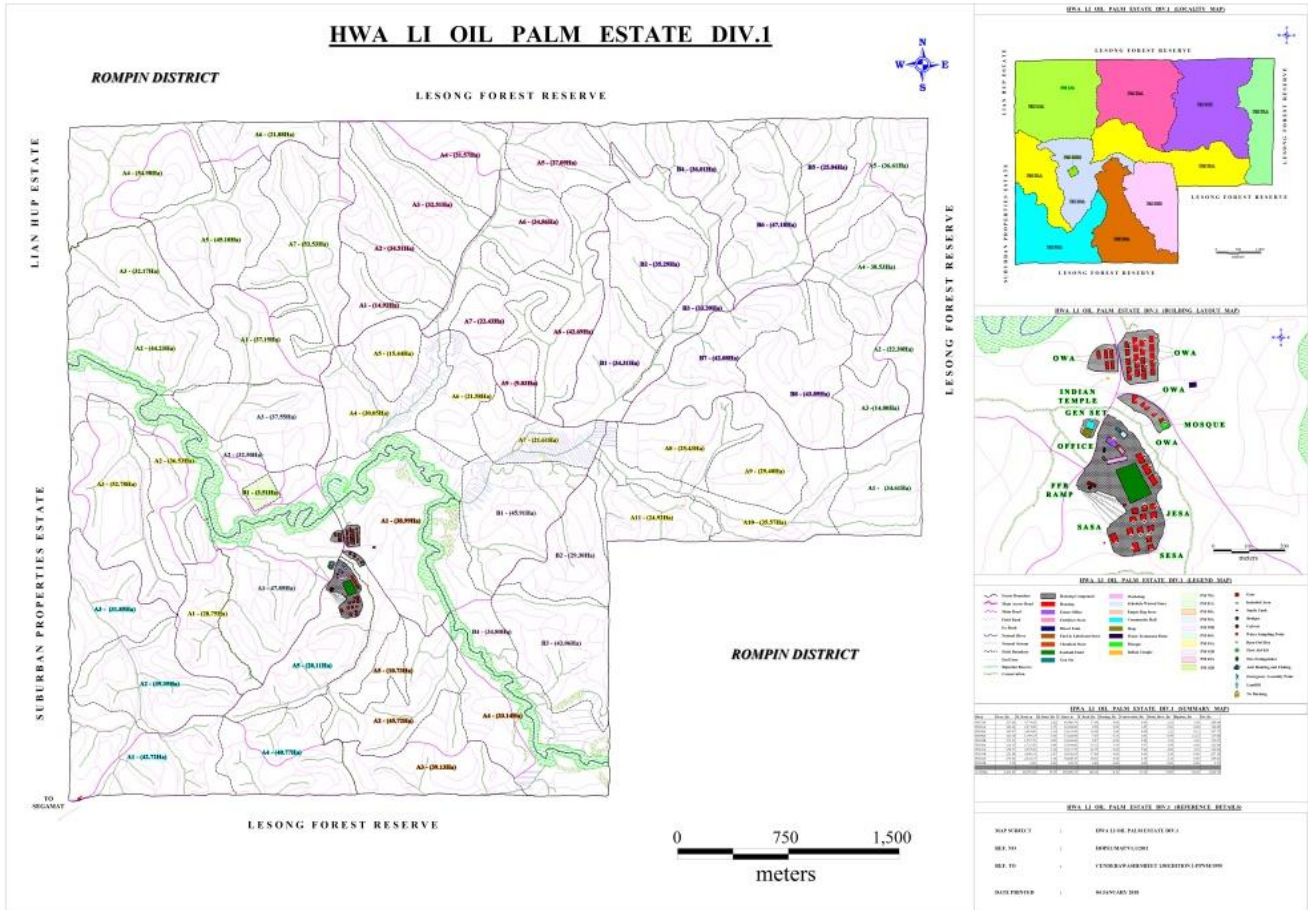
ASIA OIL PALM ESTATE DIV.1



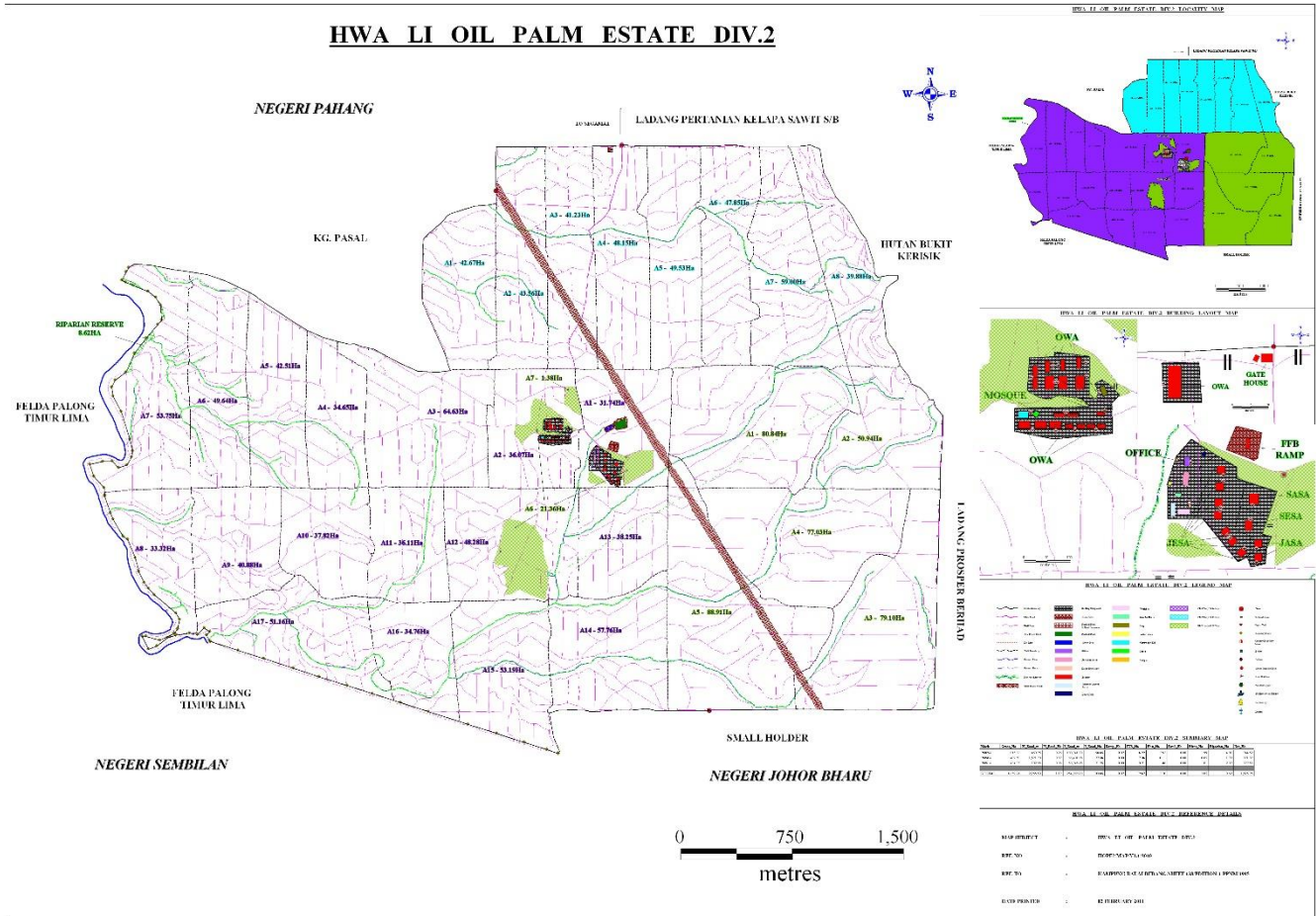
ASIA OIL PALM ESTATE DIV.1 REFERENCE DETAILS

| | |
|----------|----------------------------|
| PROJECT | ASIA OIL PALM ESTATE DIV.1 |
| DATE | 2018/03/20 |
| DRAWN BY | 10101218 |

Appendix I: Hwa Li Oil Palm 1 Estate Field Map



Appendix J: Hwa Li Oil Palm 2 Estate Field Map



Appendix K: List of Smallholder Sampled *(If applicable – scheme/associated/group certification)*

Not applicable as there is no smallholder in Carotino Certification Unit.

Appendix L: List of Abbreviations

| | |
|------------|--|
| a.i | Active Ingredient |
| BOD | Biochemical Oxygen Demand |
| CB | Certification Bodies |
| CHRA | Chemical Health Risk Assessment |
| COD | Chemical Oxygen Demand |
| CPO | Crude Palm Oil |
| CSPO | Certified Sustainable Palm Oil |
| CSPKO | Certified Sustainable Palm Kernel Oil |
| DLW | Decent Living Wage |
| EFB | Empty Fruit Bunch |
| EHS | Environmental, Health and Safety |
| EIA | Environmental Impact Assessment |
| EMS | Environmental Management System |
| FFB | Fresh Fruit Bunch |
| FPIC | Free, Prior, Informed and Consent |
| GAP | Good Agricultural Practice |
| GHG | Greenhouse Gas |
| GMP | Good Manufacturing Practice |
| GPS | Global Positioning System |
| HCV | High Conservation Value |
| IPM | Integrated Pest Management |
| IP | Identity Preserved |
| IS - CSPO | Independent Smallholder Certified Sustainable Palm Oil |
| IS – CSPKO | Independent Smallholder Certified Sustainable Palm Kernel Oil |
| IS – CSPKE | Independent Smallholder Certified Sustainable Palm Kernel Expeller |
| ISCC | International Sustainable Carbon Certification |
| LD50 | Lethal Dose for 50 sample |
| MB | Mass Balance |
| MSDS | Material Safety Data Sheet |
| MT | Metric Tonnes |
| OER | Oil Extraction Rate |
| OSH | Occupational Safety and Health |
| PK | Palm Kernel |
| PKO | Palm Kernel Oil |
| POM | Palm Oil Mill |
| POME | Palm Oil Mill Effluent |
| PPE | Personal Protective Equipment |
| RSPO | Roundtable on Sustainable Palm Oil |
| P&C | Principles & Criteria |
| RTE | Rare, Threatened or Endangered species |
| SCCS | Supply Chain Certification Standard |
| SEIA | Social & Environmental Impact Assessment |
| SIA | Social Impact Assessment |
| SOP | Standard Operating Procedure |