

**RSPO PRINCIPLE AND CRITERIA
PUBLIC SUMMARY REPORT**☒ **Initial Assessment**☐ **Annual Surveillance Assessment** (Choose an item.)☐ **Recertification Assessment** (Choose an item.)☐ **Extension of Scope**

Client Company Name / Parent Company: J.C. Chang Holdings Sdn. Bhd.
Client Company / Parent Company Address: Unit 30-01, Level 30, Menara Landmark, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor, Malaysia.
Certification Unit: Lahad Datu Palm Oil Mill (Lahad Datu Production Unit) Location of Certification Unit: CL095327218, Tenegang-Koyah, Kinabatangan, Sabah, 90200, Malaysia
Date of Final Report: 27/12/2024

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Section 1: Scope of the Assessment

1. Company Details			
Parent Company	J.C. Chang Holdings Sdn. Bhd.		
RSPO Membership Number	2-0029-06-000-00	Membership Approval Date	10/05/2006
Address	Unit 30-01, Level 30, Menara Landmark, No.12, Jalan Ngee Heng 80000 Johor Bahru, Johor, Malaysia.		
Palm Oil Mill / Group Manager / Estate (Certification Unit)	Lahad Datu Palm Oil Mill (Lahad Datu Production Unit)		
Location / Address	CL095327218, Tenegang-Koyah, Kinabatangan, Sabah, 90200, Malaysia		
Website	www.carotino.com		
Management Representative	Mr. Wong Chun Wei	E-mail	wongcw@jcc.com.my
Telephone	+607-2231633 (Head Office)	Facsimile	+607-2241546 (Head Office)

2. Certification Information			
Certificate Number	RSPO 801195	Certificate Start Date	27/12/2024
Date of First Certification	27/12/2024	Certificate Expiry Date	26/12/2029
Scope of Certification	Production of Sustainable Crude Palm Oil (CPO) and Palm Kernel (PK)		
Visit Objectives	<ul style="list-style-type: none"> Determination of the conformity of the client's management system, or parts of it, with audit criteria. Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements. 		
Assessment Cycle	<input type="checkbox"/> Pre Assessment (Choose an item.) <input checked="" type="checkbox"/> Initial Assessment <input type="checkbox"/> Annual Surveillance Assessment (ASA Choose an item.) <input type="checkbox"/> Recertification Assessment (Choose an item.) <input type="checkbox"/> Scope Extension		
Applicable Standards / Normative Reference	RSPO Certification System for P&C and RSPO ISH 2020 <input checked="" type="checkbox"/> Malaysia National Interpretation 2019 of the RSPO P&C 2018		
Supply Chain Module	<input type="checkbox"/> Identity Preserved; <input checked="" type="checkbox"/> Mass Balance	Mill Capacity	45 Mt/Hour
ISH certification Phase	<input type="checkbox"/> Eligibility <input type="checkbox"/> Milestone A <input type="checkbox"/> Milestone B <input checked="" type="checkbox"/> Not Applicable		
Is this a Remote Audit or On-site Audit	<input checked="" type="checkbox"/> On-site Audit (Option AI)	<input type="checkbox"/> On-site Audit (Option AII)	<input type="checkbox"/> Remote Audit (Option B)

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3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-MY275-22418010	ISCC EU (International Sustainability and Carbon Certification)	Global Gateway Certifications Sdn Bhd	20/05/2025
50450559 MSPO3	MSPO 2530-3:2013 General Principles for Oil Palm Plantations and Organized Smallholders	DQS Certification (M) Sdn Bhd	04/07/2025

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base / Group Manager / Smallholders)	Location	GPS Coordinates	
		Latitude	Longitude
Lahad Datu Palm Oil Mill	CL095327218, Tenegang-Koyah, Kinabatangan, Sabah, 90200, Malaysia.	5°19'09.20" N	118°02'34.10" E
Hwa Li 2	CL 095327218, CL 095310731, Mukim Tenegang Koyah, Kinabatangan 90200, Kinabatangan, Sabah, Malaysia.	5°19'29.00" N	118°02'45.00" E
Note: GPS coordinate has been verified on-site although there is slightly difference of the GPS coordinate for Hwa Li2 that made in the public announcement made available before the audit for 30 days and also this audit report.			

5. Description of Supply Base					
New Planting Development	<input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes	
Estate / Smallholders	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Hwa Li 2	2,811.62	-	195.38	3,007.00	93.50
Total	2,811.62	-	195.38	3,007.00	93.50

6. Plantings & Cycle						
Estate / Smallholders	Age (Years) - ha				Mature	Immature
	0 - 3	4 - 14	15 - 25	>25		
Hwa Li 2	496.66	674.98	185.43	1,454.55	2,314.96	496.66
Total	496.66	674.98	185.43	1,454.55	2,314.96	496.66

7. Summary of Certified Tonnage of FFB (Own Certified Scope)				
Estate / Smallholders	Tonnage (MT) / year			
	Estimated last year (N/A)	Actual (N/A)		Forecast (Dec 2024 – Nov 2025)
		Previous license period (N/A)	Current license period (N/A)	
Hwa Li 2	N/A	N/A	N/A	51,510.00
Total	N/A	N/A		51,510.00
Note: The estimate last year, and actual for previous license and current license period is not applicable as this is initial certification.				

8. Summary of Certified Tonnage of FFB (from other certified unit(s))				
Estate / Smallholders	Tonnage (MT) / year			
	Estimated last year (N/A)	Actual (N/A)		Forecast (N/A)
		Previous license period (N/A)	Current license period (N/A)	
N/A		N/A	N/A	
Total		N/A		

9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)				
Out growers / smallholders	Tonnage (MT) / year			
	Estimated last year (N/A)	Actual (N/A)		Forecast (Dec 2024 – Nov 2025)
		Previous license period (N/A)	Current license period (N/A)	
Independent FFB Supplier / Outgrowers	N/A	N/A	N/A	N/A
Total	N/A	N/A		N/A
Note(s):				
(1) The estimate last year, and actual for previous license and current license period is not applicable as this is initial certification.				
(2) There are 30,934.37 MT of FFB supplied by independent smallholders and outgrowers for the period of August 2023 to July 2024. This allows the mill to implement the Mass Balance Supply Chain Module.				

9A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply base (mt)	Volume of FFB from uncertified supply base (mt)	Total FFB/Month (mt)
1	N/A	N/A	N/A	N/A

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TOTAL	N/A	N/A	N/A
Note: Monthly records of certified and uncertified FFB received since the last audit is not applicable as this is initial certification.			

10. Summary of Certified Tonnage (MT) (not applicable for ISS)				
Estimated last year (N/A)	Actual (N/A)			Forecast (Dec 2024 – Nov 2025)
	Previous license period (N/A)		Current license period (N/A)	
FFB	FFB			FFB
N/A	N/A		N/A	51,510.00 mt
	TOTAL	N/A		
CPO (OER: N/A)	CPO (OER: N/A)			CPO (OER: 20.50%)
N/A	N/A		N/A	10,559.55 mt
	TOTAL	N/A		
PK (KER: N/A)	PK (KER: N/A)			PK (KER: 5.00%)
N/A	N/A		N/A	2,575.50 mt
	TOTAL	N/A		
Note: The estimate last year, and actual for previous license and current license period is not applicable as this is initial certification.				

10A. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (MT)	Certified PK (MT)
1	N/A	N/A	N/A
TOTAL		N/A	N/A
Note: Monthly records of certified CPO & PK since the last audit is not applicable as this is initial certification.			

11. Summary of Actual Volume sold					
Current License period (Not Applicable)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
CPO (MT)	N/A	N/A	N/A	N/A	N/A
PK (MT)	N/A	N/A	N/A	N/A	N/A
Credits	N/A	N/A	N/A	N/A	N/A
Previous License period (Not Applicable)					
CPO (MT)	N/A	N/A	N/A	N/A	N/A
PK (MT)	N/A	N/A	N/A	N/A	N/A

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Credits	N/A	N/A	N/A	N/A	N/A
Note: Actual volume sold for current license and previous license period is not applicable as this is initial certification.					

11A. Records of Certified CPO & PK Sold under PalmTrace since the last audit (if any)				
No.	Buyers Name	PalmTrace Trading License Number	Certified CPO Sold (MT)	Certified PK Sold (MT)
1	N/A	N/A	N/A	N/A
TOTAL			N/A	N/A
Note: Records of certified CPO & PK sold under PalmTrace since the last audit is not applicable as this is initial certification.				

11B. Records of certified CPO & PK Sold under other schemes since the last audit (if any)				
No.	Buyers Name	Scheme Name	Certified CPO Sold (MT)	Certified PK Sold (MT)
1	N/A	N/A	N/A	N/A
TOTAL			N/A	N/A
Note: Records of certified CPO & PK Sold under other schemes since the last audit is not applicable as this is initial certification.				

11C. Records of CPO & PK Sold as conventional since the last audit (if any)			
No.	Buyers Name	CPO Sold (MT)	PK Sold (MT)
1	N/A	N/A	N/A
TOTAL		N/A	N/A
Note: Records of CPO & PK Sold as conventional since the last audit is not applicable as this is initial certification.			

11D. Records of Certified CPO Sold under RSPO Credits since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold
1	N/A	N/A	N/A
TOTAL			N/A
Note: Records of certified CPO sold under RSPO Credits since the last audit is not applicable as this is initial certification.			

12. Independent Smallholders Certified Tonnage (MT) / Volume									
Phase	Estimated last year			Actual			Forecast		
	Eligibility	MS A	MS B	Eligibility	MS A	MS B	Eligibility	MS A	MS B
	40%	70%	100%	40%	70%	100%	40%	70%	100%

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FFB			N/A			N/A			N/A
IS-CSPO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKE	N/A	N/A		N/A	N/A		N/A	N/A	
CSPK	N/A	N/A		N/A	N/A		N/A	N/A	

12A. Monthly Records of Certified CPO, PK & PKE (equivalent) produced since the last audit							
No.	Month - Year	FFB (MT)	Certified CPO (MT)	Certified PK (MT)	Certified PKO (MT)	Certified PKE (MT)	
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL		N/A	N/A	N/A	N/A	N/A	N/A

13. Independent Smallholders Actual Sold Tonnage / Volume							
	FFB	FFB Conventional	FFB Other schemes	IS-CSPO	CSPK	IS-CSPKO	IS-CSPKE
Current License period (Not Applicable)							
Credits				N/A	N/A	N/A	N/A
Physical	N/A	N/A	N/A				
Previous License period (Not Applicable)							
Credits				N/A	N/A	N/A	N/A
Physical	N/A	N/A	N/A				

13A. Records of Certified FFB, CPO, PK & PKE (including credits) sold since the last audit							
No.	Buyers Name	PalmTrace Trading License Number	FFB Sold (MT)	Certified CPO Sold (MT/credit)	Certified PK Sold (MT/credit)	Certified PKO Sold (MT/credit)	Certified PKE Sold (MT/credit)
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL			N/A	N/A	N/A	N/A	N/A

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.

Tel +60 (3) 9212 9638; Fax +60 (3) 9212 9639

Representative: Dr. Chaiyaporn Seekao (Chaiyaporn.Seekao@bsigroup.com)

Website: www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI 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.

2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted on **03/09/2024 - 06/09/2024**. The audit programme is included as Section 2.3. Where applicable, prior to the initial certification and recertification audit, 30 days Public Notification was made through the RSPO and BSI website on **25/07/2024**.

The approach to the audit was to treat the mill and supply base as an RSPO Certification Unit. A range of occupational health and safety, environmental, best practice management, and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas, local communities engagement and workers welfare and safety.

The Critical NC close out on-site assessment was conducted on **25/11/2024**. The audit programs 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. Malaysia National Interpretation 2019 of the RSPO P&C 2018 was used as the normative reference to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment. While, the sampling of smallholders were based on the formula $(\sqrt{y}) \times (z)$; where y is total number of group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix E.

Meetings were held with stakeholders to seek their views on the performance of the certification unit 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 3.4.

The non-conformities for this audit are detailed in Section 3.3 and unless it is stated in this section, all previous nonconformities including minor nonconformities are remains closed.

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This report is structured to provide a summary of assessment finding as provided in Appendix A. The assessment was conducted based on risk based approach sampling and therefore nonconformities may exist.

For Initial, Re-certification and Extension of Scope assessment, the report was externally reviewed by approved external peer 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 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Lahad Datu Palm Oil Mill	✓	✓	✓	✓	✓
Hwa Li 2	✓	✓	✓	✓	✓

Tentative Date of Next Visit: September 1, 2025 - September 4, 2025

Total Number of Mandays: 9.5

2.2 BSI Assessment Team

Name	Role	Competency
Zulkifli Kamarol Zaman (ZKZ)	Team Leader (under the supervision by qualified lead auditor Hidhir)	<p>Education: He graduated in Bachelor of Science (Agribusiness) from University Putra Malaysia (UPM) in 2008.</p> <p>Work Experience: He has 10 years' experience in oil palm industry whereas he has been working at plantation company as Estate Assistant Manager prior to joining Certification Body as an Auditor. He is familiar with the estate's daily operation as well as the Best Management Practices for oil palm cultivation. Prior to joining BSI, he was the auditor for several certification bodies. He is involved in auditing MSPO OPMC, MSPO SCCS, RSPO P&C, RSPO SCCS and PEFC CoC standard.</p> <p>Training attended: He has completed ISO IMS 9001, 14001, 45001 Lead Auditor Course in April 2018, Endorsed MSPO OPMC Lead Auditor Course in April 2019, Endorsed MSPO SCCS Auditor Course in September 2019, Endorsed RSPO P&C Lead Auditor Course in March 2020, Endorsed RSPO SCCS Lead Auditor Course in March 2020, PEFC Chain of Custody Training in December 2020, CQI IRCA ISO 9001:2015 Lead Auditor Course in October 2023, CQI IRCA ISO 45001:2018 Lead Auditor Course in November 2023, SA8000 Introduction & Basic Auditor Training Course in November 2023 and CQI IRCA ISO 14001:2015 Lead Auditor Course in June 2024.</p> <p>Language proficiency: He is fluent in English and Bahasa Malaysia.</p> <p>Aspect covered in this audit:</p> <p><input checked="" type="checkbox"/> Good Agriculture Practice <input checked="" type="checkbox"/> Health and Safety <input checked="" type="checkbox"/> Supply chain requirements</p> <p><input type="checkbox"/> Social <input type="checkbox"/> Environmental <input type="checkbox"/> Market Communication and claim requirements</p> <p><input type="checkbox"/> ISH context (ICS, internal audit, policy, business planning and trading system)</p>

Mohamed Hidhir Zainal Abidin (MHZA)	Team Member	<p>Education: He holds Bachelor Degree in Chemical Engineering from National University of Malaysia.</p> <p>Work Experience: He has 7 years working experience in palm oil industry and 5 years specifically on palm oil milling. He is also experiences in third party auditing for several standards including ISO 9001, ISO 14001, ISO 45001, MSPO, RSPO P&C, RSPO SCCS, RBA.</p> <p>Training attended: He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course, OHSAS 18001 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course, Endorsed RSPO P&C Refresher Course, MSPO Awareness Training, Endorsed RSPO SCCS Lead Auditor Course, Endorsed RSPO SCCS Refresher Course, Introduction to HCV, HCS & GIS training and SMETA requirement training.</p> <p>Language proficiency: He is fluent in English and Bahasa Malaysia.</p> <p>Aspect covered in this audit:</p> <p><input type="checkbox"/> Good Agriculture Practice <input type="checkbox"/> Health and Safety <input type="checkbox"/> Supply chain requirements</p> <p><input type="checkbox"/> Social <input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Market Communication and claim requirements</p> <p><input type="checkbox"/> ISH context (ICS, internal audit, policy, business planning and trading system)</p>
Fahmi Othman (FBO)	Team Member	<p>Education: He graduated in Bachelor's Degree in Industrial Biology from University Technology Malaysia on 2010.</p> <p>Work Experience: He gained his working exposure in the plantation sector, serving as an Assistant Manager with a plantation company managing the day-to-day plantation operations before acting as Sustainability Officer for another significant 4 years. In his career, Fahmi had accumulated more than 9 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Prior to joining BSI, he was an auditor for another local certification body who experienced in MSPO and PEFC Certification Audit.</p> <p>Training attended: He has completed CQI – IRCA approved ISO 9001, and ISO 45001 Lead Auditor Course, MSPO 2530:2013 Lead Auditor Course, Endorsed RSPO Lead Auditor and RSPO SCC Auditor course as well as SA 8000.</p> <p>Language proficiency: He is fluent in English and Bahasa Malaysia.</p> <p>Aspect covered in this audit:</p> <p><input type="checkbox"/> Good Agriculture Practice <input type="checkbox"/> Health and Safety <input type="checkbox"/> Supply chain requirements</p> <p><input checked="" type="checkbox"/> Social <input type="checkbox"/> Environmental <input type="checkbox"/> Market Communication and claim requirements</p> <p><input type="checkbox"/> ISH context (ICS, internal audit, policy, business planning and trading system)</p>
Dr. Suhaili Sahari	Peer Reviewer	<p>Education: Graduated from University Technology Mara (UiTM), Malaysia in Diploma in Science in 1990. He furthers his first degree in B.Sc (Hons) in Chemistry with Industrial Chemistry in 1995 from Liverpool University, England. He later advances his study in Master in Business Administration (General) in 2002 and graduated in 2005 from University of Multimedia, Malaysia. Completed his PhD from University Science Islam Malaysia (Faculty of Economy and Muamalat - Management) under the supervision of previous University Vice Chancellor Dato' Mohd Muda.</p>

		<p>Work Experience: Worked with Hong Leong Group of Companies as a production executive cum TQM facilitator and continues to advance in his career as a manager and senior manager in management, production, training and quality for more than 11 years. During his tenure with Hong Leong Group of Companies, he heavily involved in strategic management decision issues such as developing SWOT analysis, Vision, Mission, Business and Corporate Strategy formulation, Acquisition and restructuring strategies. Strategic actions and implementation etc. Then he joint Kumpulan Guthrie and Sime Darby Group of Companies for more than 7 years as a manager, heads of department and Assistant Vice President in management, quality and training. Part of his duty is to strategies the departmental vision; mission, critical success factors and action plan into actions and support the corporate strategic plan.</p> <p>Training attended:</p> <ol style="list-style-type: none"> 1. ISO 9001:2015 Lead Auditor and Internal Auditor 2. ASI reviewer training 3. Safety and Health 4. ISO 14001:2015 Standard 5. RSPO Standards: RSPO P&C 2018 MY-NI 2019 6. MSPO Standards: MS 2530: 2013 part 1, 2, 3 and 4 7. Problem Solving Technique: 8 D, ICC, QCC, Systematic PS 8. HACCP MS 1480:2019 9. GAP Standard: GLOBALGAP, Euro GAP 10. MSPO Peer Reviewer Training 2 - 2017 by MPOCC <p>Expertise: General Management, Auditing, Environment and Plantation Management.</p>
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Accompanying Persons:

Name	Role
Ahmad Rufi Abu Talib Khan	Observer

2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment.

Date	Time	Subjects	ZKZ	MHZA	FBO	ARK
Monday, 02/09/2024	1245 - 1535	Travelling from Kuala Lumpur to Tawau, Sabah (Flight AK5748 – ETD: 1245 & ETA: 1535) Stay at My Inn Hotel, Lahad Datu, Sabah	✓	✓	✓	✓

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Tuesday, 03/09/2024 Lahad Datu POM	0830 - 0900	<u>Opening Meeting:</u> <ul style="list-style-type: none"> Opening presentation by Audit Team leader Confirmation of assessment scope and finalize audit plan (including stakeholders' consultation) 	✓	✓	✓	✓
	0900 - 1230	<u>Lahad Datu POM</u> Mill visit: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, lab, weighbridge, and palm product storage area etc.	✓	✓	✓	✓
	1230 - 1330	Lunch break	✓	✓	✓	✓
	1330 - 1630	<u>Lahad Datu POM</u> Document Assessment P1 – P7: SOPs, assessment on management plans, SEIA documents, GHG records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation and other relevant documents and records.	✓	✓	✓	✓
	1630 - 1700	Interim Closing Briefing	✓	✓	✓	✓
Wednesday 04/09/2024 Lahad Datu POM	0900 - 1230	<u>Lahad Datu POM</u> Continue Document Assessment P1 – P7: SOPs, assessment on management plans, SEIA documents, GHG records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation and other relevant documents and records.	✓	✓	-	-
	0900 - 1230	Meeting with stakeholders (government, village representatives, union leader, contractors, supplier, etc.)	-	-	✓	✓
	1230 - 1330	Lunch break	✓	✓	✓	✓

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	1330 - 1530	<u>Lahad Datu POM</u> Document review: RSPO SCCS general requirements, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records of RSPO SCCS.	✓	✓	-	-
	1530 - 1600	Interim Closing Briefing	✓	✓	✓	✓
Thursday 05/09/2024 Estate: Hwa Li 2	0900 - 1230	<u>Hwa Li 2</u> 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.	✓	✓	✓	✓
	1230 - 1330	Lunch break	✓	✓	✓	✓
	1330 - 1630	<u>Hwa Li 2</u> Document Assessment P1 – P7: General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM, HCV records, SEIA documents & records, OSH records, assessment on pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	✓	✓	✓	✓
	1630 - 1700	Interim Closing Briefing	✓	✓	✓	✓
Friday 06/09/2024 Estate: Hwa Li 2	0900 - 1130	<u>Hwa Li 2</u> Continue Document Assessment P1 – P7: General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM, HCV records, SEIA documents & records, OSH records, assessment on pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	✓	✓	✓	✓

Date	Time	Subjects	ZKZ	MHZA	FBO	ARK
	1130 - 1200	<ul style="list-style-type: none"> Auditors' discussion Closing meeting preparation 	✓	✓	✓	✓
	1200 - 1300	Closing meeting: <ul style="list-style-type: none"> Closing presentation by Audit Team Leader. To summarize the audit conclusions, audit findings and make recommendation on certification. 	✓	✓	✓	✓
	1300	Audit team travel to Tawau, Sabah.	✓	✓	✓	✓

Major NC Close Out Verification

Date	Time	Subjects	ZKZ
Sunday, 24/11/2024	1015 - 1305	Travelling from Kuala Lumpur to Sandakan, Sabah (Flight MH2710 – ETD: 1015 & ETA: 1305) Stay at My Inn Hotel, Lahad Datu, Sabah	✓
Monday, 25/11/2024	0830 - 0900	<u>Opening Meeting:</u> <ul style="list-style-type: none"> Opening presentation by Audit Team leader Briefing on the verification plan 	✓
	0900 - 1230	<u>Major NC Verification (Lahad Datu POM & Hwa Li 2):</u> <ul style="list-style-type: none"> 2540346-202409-M1 (Document review, interview with management/workers and site observation) 2540346-202409-M2 (Document review, interview with management/workers and site observation) 2540346-202409-M3 (Document review, interview with management/workers and site observation) 2540346-202409-M4 (Document review, interview with management/workers and site observation) 	✓
	1230 - 1300	<u>Closing Meeting:</u> Conclusion and recommendation	✓

Section 3: Assessment Findings

3.1 Multiple Management Units and Time Bound Plan

Requirement	Assessment	Compliance
Does the time bound plan include all current subsidiaries, estates and mills that is under the control and/or minor shareholding of the holding company?	The plan includes all current subsidiaries, estates and mills that is under management control.	Complied
Have all the estates and mills certified within five (5) years after obtaining RSPO membership? If no, has RSPO Secretariat approval obtained? Was the submission according to the template as announced by the RSPO Secretariat on 21/12/2021	The Group has achieved 100% RSPO certification for all existing Operating Units under the management of JC Chang Group at ended year of 2021. However, recently JC Chang Group have purchased properties from a RSPO certified company i.e. TSH Resources Berhad namely Lahad Datu Palm Oil Mill, Ong Yah Ho Estate and Gomantong Estate and the estates has been renamed as Hwa Li 2. Other than that, purchase done from 3 outgrowers (Raygold Gold Trading, Segar Teguh Sdn Bhd and Jaguhamoni Sdn Bhd) with total area of 180.92ha which take over process was carried out on 23rd February 2022. Disclosure form has been submitted to RSPO on 22/09/2022 and obtained approval by RSPO on 15/06/2023. Scope extension has been conducted on 28-30/08/2023 and the estates has been RSPO certified. For Lahad Datu Palm Oil Mill, plan for certification is in year 2025.	Complied
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three (3) years from the date of acquisition. Certification plan for the new acquisition shall be available. If no, has RSPO Secretariat approval obtained? Was the submission according to the template as announced by the RSPO Secretariat on 21/12/2021.	The Group has achieved 100% RSPO certification for all existing Operating Units under the management of JC Chang Group at ended year of 2021. However, recently JC Chang Group have purchased properties from a RSPO certified company i.e. TSH Resources Berhad namely Lahad Datu Palm Oil Mill, Ong Yah Ho Estate and Gomantong Estate and the estates has been renamed as Hwa Li 2. Other than that, purchase done from 3 outgrowers (Raygold Gold Trading, Segar Teguh Sdn Bhd and Jaguhamoni Sdn Bhd) with total area of 180.92ha which take over process was carried out on 23rd February 2022. Disclosure form has been submitted to RSPO on 22/09/2022 and obtained approval by RSPO on 15/06/2023. Scope extension has been conducted on 28-30/08/2023 and the estates has been RSPO certified. For Lahad Datu Palm Oil Mill, plan for certification is in year 2025.	Complied

Any deviations from the maximum periods requires approval by the RSPO Secretariat.	No, scope extension has been conducted on 28-30/08/2023 as per mentioned in the time bound plan and approved by RSPO on 15/06/2023.	Complied
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?	No, there is no changes. The Group has achieved 100% RSPO certification for all existing Operating Units under the management of JC Chang Group at ended year of 2021. Scope extension for 2 estates (Hwa Li 2 and Pahang Oil Palm Estate 2) which has been purchased in 2021 has been conducted on 28-30/08/2023.	Complied
Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised	No, there is no lapses. The Group has achieved 100% RSPO certification for all existing Operating Units under the management of JC Chang Group at ended year of 2021. Scope extension for 2 estates (Hwa Li 2 and Pahang Oil Palm Estate 2) which has been purchased in 2021 has been conducted on 28-30/08/2023.	Complied
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	No, there is no fundamental failure. The Group has achieved 100% RSPO certification for all existing Operating Units under the management of JC Chang Group at ended year of 2021. Scope extension for 2 estates (Hwa Li 2 and Pahang Oil Palm Estate 2) which has been purchased in 2021 has been conducted on 28-30/08/2023.	Complied
Un-Certified Units or Holdings		
No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12.	As of to date there are no replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12. It has been further confirmed through Global Risk Assessment Systems (GRAS).	Complied
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	No new development since January 1 st 2010. It has been further confirmed through Global Risk Assessment Systems (GRAS).	Complied
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 4.4, 4.5, 4.6, 4.7 and 4.8.	No land conflict.	Complied
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2	No labour dispute reported.	Complied
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	No legal non-compliance reported and found during the onsite audit.	Complied
Did the company conduct internal audit for those uncertified estates against the uncertified management units requirement and covering the	Yes. Internal audit conducted with findings highlighted for site further improvement. Internal	Complied

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RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12? If yes, a positive assurance statement shall be available and justified.	audit report and management review are available at each respective unit.	
Are there any Critical (Major) non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates? If yes is the NC(s) actively addressed with RSPO?	No.	Complied
Have there been any stakeholder (including NGO) consultation conducted?	Yes.	Complied

3.2 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification? 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.	Not applicable as there are no scheme smallholders or scheme outgrowers under the certification unit.	Not Applicable

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Approved Time Bound Plan

Name of the Unit of Certification (UoC)	Country	Name of the Mills and Supply Bases	Location Address	GPS Coordinates (in decimal degree)		Total Managed Area (Ha)	Certification Status (Certified / Not certified)	Plan Year for Certification	Actual Certification Year
				Latitude	Longitude				
Asia Production Unit	Malaysia	Asia Palm Oil Mill	KM45 Off Jalan Lahad Datu-Sandakan, 91100 Lahad Datu, Sabah	5.2923	118.2076	43.3800	Certified		2013
		Asia Oil Palm Estate 2	Sungai Tenegang, CL 095317383, Tenegang / Koyah, Kinabatangan, Sabah, Malaysia.	5.3047	118.1991	2,980.6200	Certified		2013
		Hwa Li 3	KM45, Jalan Lahad Datu-Sandakan	5.3449	118.3054	4,388.7100	Certified		2013
		Melewar Estate 2	KM45, Jalan Lahad Datu-Sandakan	5.2662	118.1598	2,023.4000	Certified		2013
Carotino Production Unit	Malaysia	Carotino Palm Oil Mill	PT 116, Lot No. 3840, Mukim Ulu Lepar, 26500 Kuantan, Pahang.	3.8162	102.8174	16.8000	Certified		2010
		Asia Oil Palm Estate 1	Lot 23599,23594,23595,23596,23597,23598, Mukim Ulu lepar, 26500 Kuantan, Pahang.	3.8279	102.7972	2,167.4200	Certified		2010
		Carotino Estate	Lot 2389, Mukim Bera, Bera, Pahang.	2.8453	102.7248	1,659.2100	Certified		2010
		Hwa Li 1	LOT 51, 52, 53, 54, 55, 56, 415, 406, 513, 523,524 ,317, 318, Mukim Keratong, Rompin, Pahang.	2.7440	103.0330	2,157.4000	Certified		2010
		Maran Estate	Lot 929,6460, 245, 351, 957, 930, Mukim Ulu Lepar, 26500 Kuantan, Pahang.	3.7426	102.8454	2,120.4000	Certified		2010

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		Pahang Oil Palm Estate 1	Lot No 23604, 23605, 23600, 23601, 23602, 23603, 23606, 23607 & 23608, Mukim Ulu Lepar, 26500 Kuantan, Pahang.	3.8098	102.8206	2,153.1000	Certified		2010
Melewar Production Unit	Malaysia	Melewar Palm Oil Mill	CL 095310400, KM46, Jalan Sandakan - Lahad Datu, Kinabatangan, Sabah, Malaysia	5.2726	118.0534	70.7700	Certified		2014
		Gerola Estate	CL 095310919, Mukim Sg. Koyah, Kinabatangan, Sabah, Malaysia	5.2052	118.0346	1,587.4000	Certified		2014
		Melewar Estate 1	CL 095310400, Mukim Sg. Koyah, Kinabatangan, Sabah, Malaysia	5.2636	118.0635	2,252.4100	Certified		2014
		Muis Melewar Plantation 1	CL 105426784, Tawau, Sabah	4.4592	117.8484	2,320.0000	Certified		2022
		Muis Melewar Plantation 2	CL 245360523, Mukim Sungai Binuang, Ulu Tingkayu, Kunak, Sabah	4.6643	117.9022	1,793.0000	Certified		2022
		Pahang Oil Palm Estate 2	CL095317285, 17490, 17516, 17507, 17534, 17525, 25983, 38695, 38702, 38711, 38720, 38757, 38739, 39012, 38999, 39003, 38748, Kinabatangan, Sabah, Malaysia	5.2939	118.1394	2,852.7200	Certified		2014
		Pahang Oil Palm Estate 3	CL095317285, 17490, 17516, 17507, 17534, 17525, 25983, 38695, 38702, 38711, 38720, 38757, 38739, 39012, 38999, 39003, 38748, Kinabatangan, Sabah, Malaysia	5.3744	118.1385	2,619.3000	Certified		2014
		Tye Yang Estate	CL 095311407, Mukim Sg. Koyah, Kinabatangan, Sabah, Malaysia	5.2425	117.9996	3,759.9000	Certified		2014

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Lahad Datu Production Unit	Malaysia	Lahad Datu Palm Oil Mill	CL 095327218, Mukim Tenegang Koyah, Kinabatangan 90200, Kinabatangan Sabah	5.3197	118.0425	15.7300	Not Certified	2025	
		Hwa Li 2	CL 095327218, CL 095310731, Mukim Tenegang Koyah, Kinabatangan 90200, Kinabatangan Sabah	5.3247	118.0458	3,007.2600	Certified		2023

3.3 Details of Nonconformities

The nonconformities are listed below. The findings summary of the assessment by criteria are listed in Appendix A.

During this Assessment there were four (4) Critical; one (1) Minor nonconformities and three (3) of OFI Opportunity For Improvement raised. The Lahad Datu 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 Critical Nonconformity(ies) has been verified for its effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-conformity			
NCR Ref #	2540346-202409-M1	Issued Date	06/09/2024
Due Date	05/12/2024	Closure Date	25/11/2024
Indicator & Category (Critical / Minor)	2.1.1 – Critical		
Statement of Nonconformity:	Evidence of compliance with legal requirement were effectively demonstrated.		
Requirement Reference:	The Unit of Certification complies with legal requirements.		
Objective Evidence:	<p><u>Lahad Datu POM</u></p> <p>i) No written approval for 2 units of genset (505.75 kW/595 kVA & 280kW/329.41 kVA) based on the ST license details of generators available for verification. The mill has started the operation on 18/10/2023 and no written approval obtained prior to the commencement date. This does not comply with Environment Quality (Clean Air) Regulation 2014, Regulation 5 (1) (d) & (2).</p> <p>ii) Only A1 charge man responsible for the operation of private installation (with synchronization), which does not comply with Electricity Supply Regulation 2024, Regulation 63 under Electricity Supply Enactment 2024.</p>		
Corrections:	<ol style="list-style-type: none"> 1. Mill requested the quotation immediately from the service provider and forward to HQ for approval. Service provider to assist with the application submission to Department of Environmental (DOE) once mill management received an approval from HQ. 2. For the meantime, B0 chargeman has been appointed as a visiting chargeman until the existing chargeman successfully obtained the A4 certification. 		
Root Cause Analysis:	<ol style="list-style-type: none"> 1. Written approval for genset was previously done by previous owner, however improper handing over has led to the discrepancies on the capacity of the existing genset in the mill and the Written approval provided by previous owner. 2. Due to resource constraint in finding the charge man with higher grade, mill has decided to transfer existing charge man from another mill with lower grade and plan to upgrade him to higher grade while he's working in the mill. 		
Corrective Actions:	<ol style="list-style-type: none"> 1) i. Mill to re-check and confirm the capacity and other information such as model of the existing genset in the mill to ensure all data provided to the service provider are correct. 		

	<p>ii. Contact the service provider on the required information and documentation for the submission of written approval to DOE.</p> <p>iii. Selected service provider to commence data gathering, document preparations and submission to DOE. Communication with the service provider on the progress must be documented properly.</p> <p>2) i. Mill management to study the requirement for A1 chargeman to be upgraded to A4 chargeman and discuss with the charge man on the necessary action to be taken. Charge man was informed to speed up the process in obtaining the A4 certification.</p> <p>ii. To arrange the A1 chargeman to attend the training and assist him in other required documentation to meet the qualifications specified under the Electricity Supply Regulation 2024 to obtain A4 certification. All progress in obtaining the certification will be kept and documented properly.</p>
Assessment Conclusion:	<p>Major NC close out verification:</p> <p>The mill management has put an effort in objective to address this non-conformity. The following evidence were verified during the onsite Major NC closure verification for non-conformity regarding the no written approval for 2-unit genset as required by Energy Commission:</p> <ol style="list-style-type: none"> 1. Quotation from service provider namely Sherman Services & Supply dated 06/09/2024 to carry out submission to Department of Environment (DOE) for Written Notification of the 2-unit genset. 2. Purchase Order issued by the mill management to the service provider (i.e., Sherman Services & Supply), dated 23/09/2024 indicates the service provider has been appointed to carry out submission of written notification for 2-unit genset to Department of Environment (DOE). 3. The service provider has carried out the assessment to the 2-unit genset on 30 and 31/10/2024 involving preparation documents including drawings for submission to DOE person in charge. The service provider is in the midst on the documents preparation to submit the report to DOE. <p>As for the non-conformity related to the only A1 chargeman being responsible for private installations, the mill has taken actions to address the issue, as evidenced by the following:</p> <ol style="list-style-type: none"> 1. The mill has appointed Visiting Charge Man (BO), Mr. Wong Chin Tet, to visit the Lahad Datu POM. The appointment letter, dated 23/09/2024, was made available during the verification assessment. The appointment is effective from 01/10/2024. The responsibilities of the BO are clearly stated in the appointment letter. The competency of the BO is evidenced by the 'Perakuan Kekompetenan Sebagai Penjaga Jentera,' with the certification number PJ-T-6-B-1318-1998. There is an evidence of visit book is presented during the audit which is found that the inspection was conducted by Visiting Charge Man (BO) on 14/10/2024 and 16/11/2024. 2. A letter titled Application for Registration of Competency Certification for the existing A1 chargeman at Lahad Datu POM, dated 01/10/2024, from the Energy Commission of Sabah to Lahad Datu POM, states that the application for the competency certification has been approved. The registration for the A4 Electrical Competency Examination was completed on 10/10/2024, as evidenced by the registration application form.

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	Based on the evidence provided above, implemented actions were found to be sufficient to close the Major NC on 25/11/2024. Continuous implementation will be further verified in the next assessment.
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Non-conformity			
NCR Ref #	2540346-202409-M2	Issued Date	06/09/2024
Due Date	05/12/2024	Closure Date	25/11/2024
Indicator & Category (Critical / Minor)	7.8.2 – Critical		
Statement of Nonconformity:	Water course protection 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) was not effectively demonstrated.		
Requirement Reference:	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.		
Objective Evidence:	Observed at field PM16A, the man-made drain connected to the nearby outlet (W4 - outlet to Linddale) has been maintained and upkeep using chemical application. As required under 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017), weeding and spraying of chemicals should be avoided close to the waterway. Guideline On Establishment of Riparian Buffer Zone, doc ref: C/001-03/2019 dated 27/4/2019 did not clearly mentioned on manmade/artificial drainage management and only cover for river protection.		
Corrections:	Internal Control Team (ICT) and Sustainability/Administrative Manager to review group guideline C001 (Guideline on Establishment of Riparian Buffer Zone) to capture the management of man-made/artificial drainage management.		
Root Cause Analysis:	Management did not fully understand the requirement under 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) to capture the management of man-made/artificial drainage in the estate.		
Corrective Actions:	<ol style="list-style-type: none"> 1. To study the guideline on RSPO Manual on BMPs for the management and rehabilitation of riparian reserves. 2. Internal control team (ICT) to generate proposal of Guideline on Establishment of Riparian Buffer Zone to Sustainability/Administrative Manager to include the management of man-made/artificial drainage in the guideline. 3. Sustainability/Administrative Manager will review the updated guideline and make improvement wherever necessary. 4. The updated guideline will be registered and circular to all estates. Estate management will acknowledge the receipt of the guideline and communicate to all relevant personnel. Record of communication will be kept accordingly. 5. Management of man-made/artificial drainage will be included in the riparian zone management training and documented properly. 		
Assessment Conclusion:	Major NC Close Out Verification:		

	<p>The management has made exceptional efforts to address the issues raised against this indicator. The evidence provided during the onsite verification are as follows:</p> <ol style="list-style-type: none"> 1. Revision of buffer zone guidelines entitled Guidelines on Establishment of Riparian Buffer Zone (Doc. Ref. No.: C/001-04/2024; Doc Date: 13/11/2024). In section 3.3 of the guidelines have clearly mentions the management of artificial drainage/man-made drain in the estates. 2. Email for dissemination of the revised buffer zone guidelines entitled Guidelines on Establishment of Riparian Buffer Zone (Doc. Ref. No.: C/001-04/2024; Doc Date: 13/11/2024) to all operating unit under J.C. Chang groups dated 13/11/2024. 3. Record communication (including attendance list) of the new guidelines to executive and staff under Hwa Li 2 that was conducted 14/11/2024. 4. Training record (including attendance list, training material, training evaluations form and photos) for management of artificial drainage/man-made drain in the estates to all estate workers was conducted on 15 and 18/11/2024. <p>Besides the above, interviews were conducted during the onsite verification, and it was found that the workers have been briefed by the estate management regarding artificial drainage/man-made drains management. They were also able to demonstrate their understanding, particularly regarding areas where chemical activities should not be conducted.</p> <p>Based on the objective evidence provided above, implemented actions were found to be sufficient to close the Major NC on 25/11/2024. Continuous implementation will be further verified in the next assessment.</p>
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Non-conformity			
NCR Ref #	2540346-202409-M3	Issued Date	06/09/2024
Due Date	05/12/2024	Closure Date	25/11/2024
Indicator & Category (Critical / Minor)	3.6.1 – Critical		
Statement of Nonconformity:	The recommendation and control measure in the risk assessment are not comprehensively implemented.		
Requirement Reference:	All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.		
Objective Evidence:	<p><u>Lahad Datu POM</u></p> <ol style="list-style-type: none"> 1. According to the Chemical Health Risk Assessment (CHRA) report (Reference Report No.: HQ/15/ASS/00/364-2024/06), received on 29/05/2024, the assessor recommended conducting personal chemical exposure monitoring for Potassium Chromate under the laboratory work unit. However, this chemical exposure monitoring has not yet been conducted. 2. During the site visit to the boiler station, it was observed that two workers were monitoring boiler at the station during the FFB process. One of the workers was wearing a safety helmet, safety shoes, and ear plugs but was not wearing N95 face mask. The worker mentioned during the interview that he was aware of the requirement to wear the N95 face mask but chose not to due to discomfort. This does not align with the risk control measures outlined in the HIRARC for boiler 		

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	<p>station activities, which require the use of an N95 face mask during the FFB process.</p> <p><u>Hwa Li 2 estate</u></p> <ol style="list-style-type: none"> 1. During a site visit to the strip spraying activities at field 98C9, it was confirmed by the mandore and sprayer that the chemicals used for spraying were Ammo Supre (glyphosate monoammonium), Ally 20 DF (metsulfuron methyl), and Miracle. However, the mandore brought the wrong Safety Data Sheet (SDS) for the chemicals used i.e., SDS for Garlon instead of the actual chemicals used for the spraying activities at that time. This is not in line to the recommendation in the Chemical Health Risk Assessment (CHRA) Report (Report Reference No.: HQ/15/ASS/00/364-2022/31) for spraying operator work units, which states that the SDS at the location where chemicals are handled. 2. During the site visit to field P98A, backhoe activities were observed. Interview with the backhoe driver confirmed that he has not undergone an audiometric test. The Noise Risk Assessment (NRA) Report indicates that, for the backhoe driver, the recommendation is to continue with the annual audiometric program due to a noise exposure level of 87.0 dB. Verification of the workers' master file showed that the workers (backhoe driver) was transferred from harvester to backhoe driver effective 11/1/2024. However, this worker has not yet undergone audiometric testing within the required three months of starting as a backhoe driver.
Corrections:	<p><u>Lahad Datu POM</u></p> <ol style="list-style-type: none"> 1. Mill management immediately contacted the OHD to arrange the employee working in the lab to undergo chemical exposure monitoring. 2. Worker involved was called and reminded on the importance of proper PPE usage during work. PPE training was conducted to remind the workers on the importance of proper PPE usage during work. <p><u>Hwa Li 2 estate</u></p> <ol style="list-style-type: none"> 1. Estate to perform refreshment briefing to the staff in charge and spraying head gang to ensure proper checking on the SDS was performed. 2. HCA to perform checking on the workers list (PW1) to identify if any worker required to undergo audiometric testing. Contact the OHD and arrange the worker's involved to undergo audiometric testing.
Root Cause Analysis:	<p><u>Lahad Datu POM</u></p> <ol style="list-style-type: none"> 1. CHRA report was not properly review by mill management after receiving the report to ensure necessary action was taken for all recommendation provided by the assessor. 2. Management has provided a PPE to the worker according to HIRARC, however the worker was not wearing a mask due to lack of awareness and importance of PPE adherence may not have been effectively communicated or enforced by the mill management. <p><u>Hwa Li 2 estate</u></p> <ol style="list-style-type: none"> 1. SDS brought to field by spraying gang were used for selective spraying operation which was carried out a day before and the spraying head gang did not replace the SDS in the file with the actual chemical used. No proper

	<p>checking done by staff in charge to ensure the right SDS was brought to the field.</p> <p>2. Hearing Conservation Administrator (HCA) was not fully aware on the requirement under Noise Exposure Regulation 2019 to conduct audiometric testing within three months to any worker.</p>
Corrective Actions:	<p><u>Lahad Datu POM</u></p> <p>1) i. Person in charge to review the CHRA report and re-read the recommendation provided in the report. Recommendation stated in the report will be forward to mill manager attention.</p> <p>ii. To strictly follow the recommendation stated in the report and all evidence of implementation will be documented properly. If any recommendation required longer time to be implemented, a progressive plan will be developed.</p> <p>2) i. Person responsible for monitoring of PPE (Personal Protective Equipment) will be appointed to ensure the issuance, maintenance and implementation of PPE at boiler station are in line with the HIRARC requirement. Person responsible for PPE monitoring will perform a daily checking on the PPE usage and condition before the work commencement and record it the PPE monitoring form. Disciplinary action will be taken such as issuance of warning letter if any worker found not wearing PPE during work.</p> <p>ii. To provide training sessions to educate workers about the importance of PPE usage and the specific hazards associated with not wearing the required PPE.</p> <p>iii. Record of training and implementation will be documented properly.</p> <p><u>Hwa Li 2 estate</u></p> <p>1) i. A different file will be used to keep the SDS according to the type chemical used for different type of operation and each file will be labelled according the type of operation.</p> <p>ii. Staff in charge and spraying head gang to perform a daily checking on the SDS to be brought to the field during muster call. Should there is an SDS found to be different from the chemicals that will be applied on that day, staff in charge or head gang will replace it immediately with the actual SDS.</p> <p>iii. Daily checking on the SDS by staff in charge and spraying head gang will be recorded in the SDS monitoring checklist. This record will be updated on daily basis by staff in charge and checked by assistant manager.</p> <p>iv. All related documentation to be kept accordingly.</p> <p>2) i. Training to Hearing Conservation Administrator (HCA) will be conducted to improve his/her understanding and knowledge on the requirement under Noise Exposure Regulation 2019. Training assessment will be provided to measure the level of understanding by HCA on the requirement and re-training will be provided if his/her level of understanding still low. Record of training will be documented.</p> <p>ii. A list of workers working at the area required to undergo audiometric testing as stated in the Noise Risk Assessment (NRA) will be established and updated by HCA to monitor and identify if any worker being transferred or hired under working area required to undergo audiometric test.</p> <p>iii. If any new worker being transferred or hired under working area required to undergo audiometric testing, HCA will inform the management and</p>

	<p>communicate with OHD to arrange the worker to undergo audiometric test within three months from the date the workers being transferred or hired and record of communication with OHD will be documented. Result of the audiometric testing will be communicated to the worker's involved, and record of communication will be documented.</p> <p>iv. All recommendation stated the audiometric test will be followed and evidence of implementation will be documented properly.</p>
Assessment Conclusion:	<p>Major NC Close Out Verification:</p> <p><u>Lahad Datu POM</u></p> <p>The relevant evidence to address this nonconformity was provided as follows:</p> <ol style="list-style-type: none"> 1. Quotation from service provider namely Sherman Services & Supply dated 04/09/2024 to conduct chemical exposure monitoring for potassium chromate as per recommended in the CHRA report. 2. Purchase Order (P.O No.: LDPO000129) issued by the mill management to the service provider (i.e., Sherman Services & Supply), dated 23/09/2024 indicates the service provider has been appointed to conduct chemical exposure monitoring for potassium chromate. 3. The service provider conducted chemical exposure monitoring on 01/11/2024, as confirmed in the notification of assessment letter from the service provider, dated 18/11/2024. This was also verified through an interview with mill personnel. The results of the chemical exposure monitoring have not yet been received, as they are pending laboratory analysis. <p>Meanwhile, regarding the non-conformity related to the failure to use PPE at the boiler station, the following evidence was verified:</p> <ol style="list-style-type: none"> 1. Training records for workers at the boiler station and workshop, conducted on 05/09/2024 and 16/10/2024. 2. Appointment letter, dated 23/09/2024, for the person responsible for inspecting PPE, issued to the mill supervisor. The objective is to ensure workers comply with the SOP to prevent accidents in the workplace. 3. Daily PPE inspections were confirmed, as recorded in the PPE Checklist Forms for October and November 2024. 4. Site visit was conducted at the boiler station, where it was observed that workers were wearing the appropriate PPE. Interviews with the workers also confirmed that daily PPE inspections were being carried out. <p><u>Hwa Li 2</u></p> <p>The following evidence was provided during the onsite verification to address the non-conformities raised regarding the failure to bring the correct SDS:</p> <ol style="list-style-type: none"> 1. The training record, including the attendance list, training materials, evaluation forms, and photos, was made available. The training was conducted on 12/09/2024. 2. SDS monitoring checklists for October and November 2024. This checklist is used before the spraying team begins their work, and the monitoring is carried out by the staff in charge. 3. Interview was conducted with the staff in charge and the mandore, and it was found that monitoring is carried out on a daily basis. Furthermore, there is a

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	<p>specific SDS file that differentiates the chemicals used for circle spraying and selective spraying.</p> <p>As for the non-conformity regarding the failure to conduct audiometric tests, the following relevant evidence was verified:</p> <ol style="list-style-type: none"> 1. Baseline audiometric tests were conducted for 13 workers on 04 and 09/09/2024, with the report received on 10/11/2024. 2. A record of the briefing on the audiometric test results provided to the workers, conducted on 22/11/2024. 3. Training for the Hearing Conservation Administrator (HCA) was conducted on 17/10/2024. Training records, including the attendance list, training materials, and photos, were made available. 4. A record of audiometric test monitoring by the HCA, which includes information such as occupation, date of joining, and date the audiometric test was conducted. <p>Based on the evidence provided, implemented actions were found to be sufficient to close the Major NC on 25/11/2024. Continuous implementation will be further verified in the next assessment.</p>
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Non-conformity			
NCR Ref #	2540346-202409-M4	Issued Date	06/09/2024
Due Date	05/12/2024	Closure Date	25/11/2024
Indicator & Category (Critical / Minor)	6.2.4 – Critical		
Statement of Nonconformity:	The effectiveness of the linesite inspection has not been sufficiently demonstrated.		
Requirement Reference:	The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.		
Objective Evidence:	<p>Line inspection checklist format is available and documented in the Checklist Inspection of Labour Line. As per checklist, line site inspection needs to be conducted for specific parameters in-line with applicable requirements.</p> <p>3 latest inspections conducted for Lahad Datu POM and Hwa Li 2 are as below:</p> <p>i) Lahad Datu POM; Date of inspection on 30/08/2024, 24/08/2024 and 19/08/2024.</p> <p>ii) Hwa Li 2 estate; Date of inspection on 28/08/2024, 21/08/2024 and 14/08/2024.</p> <p>As per stated in the inspection records, there are no discrepancies were recorded, and all the parameters were met. Nevertheless, during the onsite visit, it was observed that there are damages to ceilings, windows, mosquito nets, and rain gutters were noted, contradicting the findings of the housing inspection.</p>		

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Corrections:	HA or person in charge to conduct linesite inspection to be briefed on the aspect or area to be assessed during linesite inspection and any issue observe to be recorded in the linesite inspection.
Root Cause Analysis:	Lack of understanding by HA or person in charge who conducted the linesite inspection on aspect or area to be assessed where only cleanliness of compound was assessed during inspection. Thus, damages of the housing observed during linesite inspection was not recorded in the report.
Corrective Actions:	<ol style="list-style-type: none"> 1. Internal Control Team (ICT) to generate a proposal on Guideline on Linesite Inspection for Sustainability/Administrative Manager which will explain in details aspect or area to be assessed during linesite inspection. 2. Sustainability/Administrative Manager will then review the guidelines and make improvement wherever necessary. 3. Approved guideline will be circular to estates and mills for implementation. 4. Guideline will be communicated by estate and mill management to HA or person incharge to conduct linesite inspection. Record of communication to be maintained properly. 5. Estate and mill management to follow the established guideline in conducting linesite inspection. All implementations will be documented properly.
Assessment Conclusion:	<p>Major NC Close Out Verification:</p> <ol style="list-style-type: none"> 1. The company has established guideline entitled Guideline for Conducting Linesite Inspection (Doc. Ref. No.: T/013-01/2024; Doc Date: 13/11/2024). The objective of the guideline is to guide consistency of implementation and provide a standard format of recording for all aspects assessed during linesite inspection. The condition observed during linesite inspection will be recorded in the linesite inspection form (refer to Appendix 1 of this procedure). The result of inspection will be submitted to the assistant manager and manager for further action. Action taken or progress and date of completion will be recorded in the linesite inspection form. Should the repair required high cost or longer time to be completed, a progressive plan should be developed. 2. Email for dissemination of the guidelines entitled Guideline for Conducting Linesite Inspection (Doc. Ref. No.: T/013-01/2024; Doc Date: 13/11/2024) to all operating unit under J.C. Chang groups dated 13/11/2024. 3. Record briefing (including attendance list) of the new guidelines to executive and staff under estate and mill that was conducted 14 and 15/11/2024. 4. Linesite inspection record for the month of October and November 2024 using the new linesite inspection form as per new guidelines established. 5. Based on the site visit during on-site verification, it was noted that damages to ceilings, windows, mosquito nets, and rain gutters were repaired and addressed to an acceptable standard, ensuring comfort for the workers residing in the houses. <p>Based on the evidence provided, implemented actions were found to be sufficient to close the Major NC on 25/11/2024. Continuous implementation will be further verified in the next assessment.</p>

Non-conformity			
NCR Ref #	2540346-202409-N1	Issued Date	06/09/2024
Due Date	05/12/2024	Closure Date	Open
Indicator & Category (Critical / Minor)	3.4.2 – Minor		
Statement of Nonconformity:	The Environmental Aspect Impact (EAI) assessment and the environmental management plan were not effectively developed, and the involvement of affected stakeholders in the development of the social management plan was not demonstrated.		
Requirement Reference:	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.		
Objective Evidence:	<p><u>Lahad Datu POM</u></p> <p>Environmental and Social Improvement Plan – Lahad Datu Palm Oil Mill, date of review: 27/10/2023, next review date: 27/09/2025 is referred and found the following:</p> <ul style="list-style-type: none"> i) Stockpile of EFB, impact of methane/CH₄ emission from anaerobic process > fire emergency was not assessed. Based on observation, stockpile of EFB was evident at site. ii) Noise emission (nuisance) was not assessed and only cover the impact on hearing loss to the mill workers. iii) Water analysis - Upset condition for domestic/drinking water analysis was not captured in the said plan. <p><u>Hwa Li 2 estate</u></p> <p>Social improvement plan was developed to address issues and concerns derived from Social Impact Assessment (SIA), dated 09/03/2023. Latest update was on 16/05/2024 where estate updated their progress of implementation, time frame and justification action taken. However, based on minutes of external stakeholder meeting conducted on 16/11/2023 and 20/06/2024, no evidence that the plan has been developed with participation of affected stakeholders. Issues that captured during the Social Impact Assessment (SIA) have not been addressed and discussed during the external stakeholder meeting. Interview session with the stakeholder also confirmed that there are no discussion regards to their concerns.</p>		
Corrections:	<p><u>Lahad Datu POM</u></p> <p>Mill management will review the Environmental Improvement Plan to capture the aspect on EFB, noise emission and domestic water analysis in the plan.</p> <p><u>Hwa Li 2 estate</u></p> <p>Estate management will re-read the Social Impact Assessment (SIA) and summarize all issues and concerns raised by stakeholder during the assessment. Consultation with the involved stakeholder will be performed pertaining the issues and concerns raised by them during SIA.</p>		
Root Cause Analysis:	<u>Lahad Datu POM</u>		

	<p>Environmental Improvement Plan was develop based on the generic plan without conducting an assessment to identify environmental issues or aspect applicable to the mill which not stated in the generic plan.</p> <p><u>Hwa Li 2 estate</u></p> <p>Management assuming that further consultation with the stakeholder was not required as the development of Social Impact Assessment (SIA) have been conducted with the participation and involvement of affected stakeholder and all concerns and issues raised by stakeholder have been captured in the Social Improvement Plan.</p>
Corrective Actions:	<p><u>Lahad Datu POM</u></p> <ol style="list-style-type: none"> 1. Mill management will conduct an assessment to identify the environmental issues or aspect applicable to the mill through observation, monitoring and discussion during environmental meeting. All issues or aspects identified will be summarized and discussed during the interim review meeting of the environmental improvement plan. 2. Interim review will be conducted with participation of involve personnel such as staff in charge or supervisor to develop the impact, action plan and time frame for issues or aspect identify during the assessment. Discussion on the aspect, impact and action plan will be recorded in the minutes of meeting. 3. All evidence of review and implementation will be documented properly. <p><u>Hwa Li 2 estate</u></p> <ol style="list-style-type: none"> 1. Estate management will conduct a stakeholder meeting to relevant stakeholder and all issues and concerns raised during SIA will be discussed during the meeting. 2. Status or progress done by the estate related to the concerns or issues raised by stakeholder will be presented during the meeting. 3. Feedback from stakeholder will be recorded in the minute of meeting and captured Social Improvement Plan (if required). 4. If any stakeholder who raised the issue or concern unable to attend the meeting, individual stakeholder consultation will be conducted. 5. All record of communication and consultation will be documented properly.
Assessment Conclusion:	<p>The correction and corrective action plans are accepted. Evidence of implementation shall be verified in the next assessment visit.</p>

Opportunity for Improvements	
OFI #	Description
2540346-202409-11	<p><u>Indicator 7.12.4</u></p> <p>To expedite the establishment of Biodiversity Management Area (BMZ) from Tenegang Koyah Land Reserve (TKLR) boundary into Assessment Area (AOI) as recommended by assessor to cover the HCVMA on wider landscape for further monitoring in future.</p>

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2540346-202409-12	<u>Indicator 3.4.3</u> Environmental Compliance Report (ECR) was carried out based on previously Approved Environmental Condition (AEC) @ Aku Janji signed in 2022 by the previous company's management. As instructed by Environmental Protection Department (EPD), a new AEC has to yet be signed by JC Chang management in order to continue with the on-going replanting together with ECR submission to EPD for Gomantong Estate (Division of Hwa Li 2 Estate) in future.
2540346-202409-13	<u>Indicator 7.12.2</u> Based on HCV assessment by Wild Asia dated 17/02/2023, HCV3 (endangered ecosystem) has been identified and present within Hwa Li 2 estate. Further clarification should be made with the assessor to confirm the affected area where 1.12 ha of riparian zone exclusion in the estate's area statement categorized as HCV3 or not.

Positive Findings	
PF #	Description
PF 1	Good cooperation from the management team in the assessment activity.
PF 2	Retrieval of relevant documents was efficient.
PF 3	High interest was shown by the sampled workforce in implementing the RSPO Standard requirements.

3.3.1 Status of Nonconformities Previously Identified and Opportunity for Improvement

Previous Audit Critical (Major) Non-conformity			
NCR Ref #	N/A	Issued Date	N/A
Due Date	N/A	Closure Date	N/A
Indicator & Category (Critical / Minor)	N/A		
Statement of Nonconformity:	N/A		
Requirement Reference:	N/A		
Objective Evidence:	N/A		
Corrections:	N/A		
Root Cause Analysis:	N/A		
Corrective Actions:	N/A		
Assessment Conclusion:	N/A		
Effectiveness Closure (for previous audit closed Critical NC):	N/A		

Previous Audit Minor Non-conformity			
NCR Ref #	N/A	Issued Date	N/A

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Due Date	N/A	Closure Date	N/A
Indicator & Category (Critical / Minor)	N/A		
Statement of Nonconformity:	N/A		
Requirement Reference:	N/A		
Objective Evidence:	N/A		
Corrections:	N/A		
Root Cause Analysis:	N/A		
Corrective Actions:	N/A		
Assessment Conclusion:	N/A		

Previous Audit Opportunity for Improvement	
OFI#	Description
N/A	N/A

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Critical / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
2540346-202409-M1	Critical	2.1.1	06/09/2024	Closed on 25/11/2024
2540346-202409-M2	Critical	7.8.2	06/09/2024	Closed on 25/11/2024
2540346-202409-M3	Critical	3.6.1	06/09/2024	Closed on 25/11/2024
2540346-202409-M3	Critical	6.2.4	06/09/2024	Closed on 25/11/2024
2540346-202409-N1	Minor	3.4.2	06/09/2024	Open

3.4 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 Lahad Datu 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.

Structured worker interviews with male and female workers and staff were held in private at the workplace. 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.

Stakeholders contacted		
Type of Stakeholder (e.g. Internal, Union, Contractor, Governmental Department, NGO, External, Communities)	Stakeholder name / organization	Means of communication (e.g. face to face interview, email, phone interview, comment from public notice)
Internal, Gender Representative, Worker's Union	Representative of Gender Committee, Representative of workers union	Face to face
Neighbouring estate	Concorde Sdn Bhd, Fushu Enterprise	Face to face
Government Agency	Department of Human Resource, Kinabatangan, Police Department of Kinabatangan, Sek Keb Kg Paris 3, PERKESO Office, Sandakan	Phone Call
Local communities	Representative Kg Paris (Koperasi Kg Paris Sawit Mapan)	Face to face
Contractor/Supplier	Nabila Trading	Face to face
Previous Management/Owner	Mr Suhaimi Suwiti	Phone Call

Stakeholders comment	
1	Feedback: Workers Union Representative & Gender Committee Members
	Audit Team verification and response: Interview session with sample of representative of workers union and gender committee members for both mill and estate found that management acknowledged and provide freedom with the establishment of the welfare and gender committee at all unit of certification. Meetings for each organization was conducted regularly and minutes meeting are reviewed and verified. Discussion on workers right, women's rights, complaint channel and any concern were commonly conducted during the meeting.
2	Feedback: Concorde Sdn Bhd, Fushu Enterprise
	Audit Team verification and response: There are no conflict regards to estate's boundaries since it was clearly demarcated with marking, fences, and trenches. Good relationship between both parties is observed with consistent communication and meetings. Both organisations were invited to external stakeholder session and involved directly upon discussion regards to fire prevention measure accordingly.
3	Feedback: Department of Human Resource, Kinabatangan, Police Department of Kinabatangan, Sek Keb Kg Paris 3, PERKESO Office, Sandakan
	Audit Team verification and response: All representative of government agencies acknowledged commitment shown by J. C. Chang Group especially for Lahad Datu POM and Hwa Li 2 for sustainability effort since they were recently invited to stakeholder consultation session and related concerns. They also claimed that they were well informed regards to establishment of new management of J. C Chang Group after transition from previous management.
4	Feedback: Representative Kg Paris (Koperasi Kg Paris Sawit Mapan)
	Audit Team verification and response: In general, it was found that relationship between Lahad Datu POM and Hwa Li 2 with their local communities was satisfactory. Social contribution by J. C. Chang Group especially for local employment also appreciated by local communicates which indirectly improve socio-

	economy of the village area. It was also noted that Lahad Datu POM has provided consultation and advisory service for villagers from Kg Paris who supply their Fresh Fruit Bunch (FFB) to their mill.
5	<p>Feedback: Nabila Trading, MK Nexus</p> <p>Audit Team verification and response: Interview with Nabila Trading (Sundry Shop) and MK Nexus (Machineries Spare Part Supplier) conducted and found that there is no concerns on payment terms. Both of them were regular attendees in stakeholder consultation and related training conducted by estate and mill. In addition, they were also aware on legal regulation including labour and workers employment terms and condition, wages requirement, safety elements and understanding of environment concern.</p>

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
Sharikat Keratong Sdn Bhd – Hwa Li 2	2022	3007.26	Yes	No	N/A
TSH Palm Products Sdn Bhd	1997	2000.00	Yes	No	N/A
Gomantong Sdn Bhd	1979	1007.26	Yes	No	N/A

Previous land owner / user comment

1	<p>Feedback: Mr. Suhaimi Suwiti – Mill General Manager, TSH Resources Berhad</p> <p>Audit Team verification and response: Phone call interview indicate that process of transition to new management from TSH Resources Berhad to J. C. Chang Group started back in early 2020/2021. It was due to company strategic management decision to revise their business operation and increase their revenue. As both parties agreed with the terms and condition, they signed Sales & Purchase (S&P) Agreement on 06/07/2021.</p> <p>Details of transition of new management were evident by land title as details for Lahad Datu POM that located within Hwa Li 2 compound with total hectareage of 2000.00. Title No. Country Lease 095327218, with Memo No. MC2203090014, with transfer made from previous management at 24/03/2022. Within District of Kinabatangan, Locality under Tenegang-Koyah with Ref. No. LA97090156 and L.S.901.1.2745.</p> <p>While in Hwa Li 2, Gomantong Division, there is evidence of ownership with title No. Country Lease 095327218, total hectare of 1007.26. Memo Evidence No. is MC2205090003, and transfer made from previous management is on 05/05/2022.</p> <p>As per interview and documents review, it was noted that all workers in mill and estate were provided with option to join voluntarily the new management with appropriate timeframe. About 80% of the local workers agreed to join new management while the rest were transferred to other TSH Resources Berhad's business unit with mutual understanding.</p>
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3.5 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.

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Formal Signing-off of Assessment Conclusion and Recommendation

<p>The audit objectives have been achieved and the certificate scope is appropriate. Based on the results of this audit, it is concluded that Lahad Datu Palm Oil Mill (Lahad Datu Palm Oil Mill) has complied with the Malaysia National Interpretation 2019 of the RSPO P&C 2018 and audit criteria identified within the audit report. It is deemed that the management system has achieved its intended outcomes. Therefore, it is recommended that Lahad Datu Palm Oil Mill (Lahad Datu Palm Oil Mill) is remain certified.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Zulkifli Bin Kamarol Zaman	Name: Wong Chun Wei
Company Name: BSI Services Malaysia Sdn Bhd	Company Name: J. C. Chang Group
Title: Client Manager	Title: Sustainability Manager
Signature: 	Signature: <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> 
Date: 13/09/2024	Date: 20/12/2024

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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. - Critical (Major) compliance -	<p>All documents specified in the RSPO P&C are accessible to every operating unit within the J.C Chang Group. They can be reached through the company's website at http://www.carotino.com/publicly-available-documents-97.aspx via the consultation and communication procedure outlined in document number E/004-08/2019 dated 12/08/2019.</p> <p>Listed list of publicly available but not limited too as per below.</p> <ul style="list-style-type: none"> • Environmental information such as assessment of riparian zone management, HCV assessment report, waste management and etc. • Social information such as social impact assessment and report, details of complaints and grievances, negotiation procedures and etc. • Legal information such as all legal license and permits, land rights including estate's map and boundaries. • Other information such as CIP, Public Summary Assessment Report and other policies. 	Complied
1.1.2	Information is provided in appropriate languages and accessible to relevant stakeholders. - Minor compliance -	<p>Sustainability related policies were displayed in various locations including the main notice boards of the estates/mill for employees and visitors to view. Interview conducted on-site with sampled internal and external stakeholders confirmed that the information provided were in appropriate languages and accessible to them.</p> <p>Lahad Datu POM has conducted external stakeholder meeting on 20/06/2024 at Hwa Li 2 meeting room. 32 stakeholders evident o attended the meeting and briefed with sustainability commitment, practices, policies,</p>	Complied

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		procedures including publicly available documents as per stated in their official website.	
1.1.3	<p>(C) Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>Stakeholder requests are collected through various channels such as stakeholder meetings, visitor books, letters, and forms. The operating units systematically document all requests and responses. Verified that regular annual face-to-face session with stakeholders was conducted for each operating unit.</p> <p>Request and response for mill and estate are compiled in their own request records, complaints records, JCC meeting, Gender Committee Meeting particularly for internal stakeholder. While request and response from external stakeholders, it was compiled within their stakeholder consultation minute meeting, dated 20/06/2024.</p>	Complied
1.1.4	<p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Critical (Major) compliance -</p>	<p>The Consultation and Communication Procedure, identified as document number E/004-08/2019 dated 12/08/2019, has been made publicly available on the company website, www.carotino.com. Additionally, it has been presented to external stakeholders in consultation meetings and shared with all employees during various workers' meetings and assembly sessions periodically.</p> <p>The procedure was briefed to external stakeholders during the consultation meeting that conducted, dated 20/06/2024 and to all workers during workers meeting and assembly sessions from time to time.</p> <p>Each operating unit has assigned an individual responsible for social issues, tasked with implementing and monitoring consultation and communication procedures. Verification was possible through the records of appointment letters for these designated persons in-charge.</p>	Complied
1.1.5	<p>There is a current list of contact and details of stakeholders and their nominated representatives.</p> <p>- Minor compliance -</p>	<p>The estate and the mill consistently update and retain information about stakeholders, encompassing details such as addresses, contact numbers, and nominated representatives. This comprehensive list includes contractors, vendors/suppliers, foreign recruitment agencies, embassies,</p>	Complied

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		government agencies, schools, local communities' outsider FFB suppliers, and CPO/PK customers. Stakeholders list was updated annually and also when there are any changes of owner, land lease and any new development nearby.	
Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.			
1.2.1	A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts. - Minor compliance -	J. C. Chang Holdings Sdn Bhd has formalized its Corruption Prevention Policy, encompassing a commitment to a code of ethical conduct and integrity. The company embeds the principles of fairness, integrity, and ethics throughout all business processes. Stringent measures are in place to strictly prohibit any involvement in bribery within the business operations including recruitment and contracts. It was established on 04 September 2015, signed by the plantation director and available in Bahasa Malaysia and English. Verified that 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 each operating units.	Complied
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. - Minor compliance -	J. C. Chang Holdings Sdn Bhd has established monitoring compliance and implementation process with their contractors/suppliers through Sustainability Compliances Contract with Operating Unit under J.C. Chang Group, Doc No E/024-02/2020. Sighted samples as below: - CPO & PK Transporter – Pengangkutan Dagang Tera Sdn Bhd Additionally, there is annual internal audit team visit from headquarters which will seek for compliance in terms of account & procurement procedures with latest visit was in May 2023 for Hwa Li 2 and Nov 2023 for Lahad Datu POM. However, there is no visit yet for Lahad Datu POM and Hwa Li 2 yet for 2024.	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	<p>(C) The Unit of Certification complies with legal requirements</p> <p>- Critical (Major) compliance -</p>	<p>Lahad Datu POM certification unit continued to comply with legal requirements. Permits and licenses verified:</p> <p><u>Lahad Datu POM</u></p> <p>a) Mill’s compliance schedule under license no. 005291, ref: JAS.SHQ.600-/3/1/121 valid from 1/7/24 to 30/6/25. Mill processing capacity is 45 mt/hr using water ways for method of POME disposal. Limit of discharge parameters are:</p> <ul style="list-style-type: none">- BOD₃: 20 mg/l- SS: 200- O&G: 20- AN: 150- TN: 200- pH: 5<pH<9- Temp: <45 °C <p>b) 3rd party environmental audits, at least once (1) a year, clause 25 of compliance schedule.</p> <p>Audit carried out by registered environmental auditors, lead auditor (EA0155). Date of assessment: 16/03/2024, date of report: 30/03/24, ref: JOLL/ECA/2024-003. No non-conformity issued and seven (7) observation raised by the auditor.</p> <p><u>Stack sampling</u></p> <table><tr><th>Year</th><th>Stack sampling</th><th>Results vs limit</th></tr><tr><td>2024</td><td>Iso kinetic sampling by Hypergreen Instrument Sdn Bhd ref: LDPOM/ST-B2/2024</td><td>Dust/particulate: 126 mg/m³ vs 150 mg/m³ CO: 274.19 mg/m³ vs 1000 mg/m³</td></tr></table>	Year	Stack sampling	Results vs limit	2024	Iso kinetic sampling by Hypergreen Instrument Sdn Bhd ref: LDPOM/ST-B2/2024	Dust/particulate: 126 mg/m ³ vs 150 mg/m ³ CO: 274.19 mg/m ³ vs 1000 mg/m ³	Non-compliance
Year	Stack sampling	Results vs limit							
2024	Iso kinetic sampling by Hypergreen Instrument Sdn Bhd ref: LDPOM/ST-B2/2024	Dust/particulate: 126 mg/m ³ vs 150 mg/m ³ CO: 274.19 mg/m ³ vs 1000 mg/m ³							

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		Date of monitoring: 23/02/2024			
		c) List of certificates of fitness			
		Registration no.	Validity period		Remarks
		SB PMD 2600	Until 27/10/2024		Steam Boiler
		JH PMD 80145	Until 12/09/2025		Steam Boiler
		PMA 94850	Until 27/11/2024		Monorail Crain
		SB PMT 1118	Until 27/11/2024		Sterilizer no.3
		PMT 143753	Until 27/11/2024		Sterilizer no.2
		PMT 143755	Until 27/11/2024		Sterilizer no.1
		PMT 143752	Until 27/11/2024		Back Pressure Receiver
		d) List of competent persons			
		Competent person	Validity period		Remarks
		Certified Environmental Professional in Scheduled Waste Management (CePSWaM)	Attended training in April 2024.	S/N: 2460	

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		Certified Environmental Professional in the Treatment of Palm Oil Mill Effluent (CePPOME)	Certified on 15/08/2018	CePPOME/184537	
		Steam Engineer, 1 st Grade	JKKP/2022/JS01/64	06/01/2022	
		Engine Driver, Grade 1	SB/23/EIS/01/00404	22/02/2023	
		Engine Driver, Grade 2	SB/23/EIP/02/00189	28/11/2019	
		A1 chargeman	PJ-T-2-B-1013-2020	Not enough competency for electrical installation (with synchronization)	
		AESP	NW-SRO-AE-R-6692-U	Valid until 13/09/2024	
		AGTES-R	Ref: 13-3/01/AGTES-R/2024/4	Date of training: 21-22/08/24	
		AESP	NW-SBRO-AE-0459-V	22/02/2025	
		AESP	NW-SBRO-AE-0462-V	22/02/2025	
e) MPOB license no. 620910004000 valid until 1/04/2024 – 31/03/2025					

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		<p>f) Diesel permit refer to BLESS ref. no. BL22024036791 dated 16/08/2024. Required volume: 33,000 L. Still in progress of obtaining license.</p> <p>g) Permit to employ non-resident workers by JTK Sabah (License No. JTK.H.KBN.600-4/1/1/10401/0985. Indonesia: 27, Philippines: 3, valid from 18/03/2024 – 18/03/2025</p> <p>h) Electrical Installation License, serial no. 63880, license no. 2023/02839, maximum capacity: 2,880 kW valid from 12/11/2024 – 11/11/2025</p> <p>i) Fire Certificate, ref. no. JBPM: SB/7/93/2024, serial no. 337709 valid from 10/06/2024 – 9/06/2025</p> <p>j) Weighbridge stamping, serial no. 232050305, calibration cert. no.: S2-ATK-02980 model: Avery-J311, capacity: 60,000 kg, date of stamping: 23/10/2023</p> <p>k) Weighbridge stamping, serial no. 228450877, calibration cert. no.: S2-ATK-02979 model: Avery-J311, capacity: 60,000 kg, date of stamping: 23/10/2023</p> <p>l) List of written approvals</p> <table><tr><th>Fuel burning equipment/boiler</th><th>Reference document</th></tr><tr><td>Vickers Bi-drum WTB, 27.20 mt/hr</td><td>APU.2 (D22/69/2000), ref: AS.SH:B31/152/000/121() dated 17/07/2000</td></tr><tr><td>Mackenzie Bi-drum WTB, 30 mt/hr</td><td>APU.2 (D01/07/13 & AK011/2013), ref: ASSH(B)31/152/000/121 Jld 6 dated 18/02/2013</td></tr><tr><td>595 kVA/505.75 kW genset (model name: Osx15-G8)</td><td>No written approval/written notification</td></tr><tr><td>329.41 kVA/280 kW genset (model name: 433pssl6216)</td><td>No written approval/written notification</td></tr></table>	Fuel burning equipment/boiler	Reference document	Vickers Bi-drum WTB, 27.20 mt/hr	APU.2 (D22/69/2000), ref: AS.SH:B31/152/000/121() dated 17/07/2000	Mackenzie Bi-drum WTB, 30 mt/hr	APU.2 (D01/07/13 & AK011/2013), ref: ASSH(B)31/152/000/121 Jld 6 dated 18/02/2013	595 kVA/505.75 kW genset (model name: Osx15-G8)	No written approval/written notification	329.41 kVA/280 kW genset (model name: 433pssl6216)	No written approval/written notification	
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		<p><u>Hwa Li 2 estate</u></p> <p>a) Diesel Storage Permit ref: KPDNHEP.SDN.23/2022(SK) for 36,000 litres (Diesel Euro 5) valid from 21/09/2022 to 20/09/2025</p> <p>b) MPOB License No. 621952011000 for nursery located at CL 0953107311, Mukim Tenegang Koyah, Kinabatangan and valid from 1/06/2024 – 31/05/2025</p> <p>c) MPOB License No. 620870102000 at CL 0905327218, Mukim Tenegang Koyah, Kinabatangan for size of 3,007 Ha valid from 1/03/2024 – 28/02/2025</p> <p>d) Petrol permit, ref: KPDN.LDT.600.5/4(165/2022)PK serial no. PK/2024/B/S-000469, RON95: 200 liter day (approved quantity) valid from 16/05/2024 – 15/05/2025</p> <p>e) Permit to employ non-resident workers by JTK Sabah (License No. JTK.H.KBN.600-4/1/1/01261/0956. Indonesia: 220, Philippines:53, valid from 28/11/2023 – 27/11/2024.</p> <p>f) Salary deduction permit, Section 113(4) Labour Ordinance (Cap67 Sabah), serial no.: JTKSBH/PMT/113/2023/0058 valid from 30/03/2023 - 29/03/2025 (deduction for sport and recreational club), serial no.: JTKSBH/PMT/113/2023/0006 valid from 26/01/2023 – 25/01/2025</p> <p>Despite the above, evidence of compliance with legal requirement were not effectively demonstrated for;</p> <p>Lahad Datu POM</p> <p>i) No written approval for 2 units of genset (505.75 kW/595 kVA & 280kW/329.41 kVA) based on the ST license details of generators available for verification. The mill has started the operation on 18/10/2023 and no written approval obtained prior to the commencement date. This does not comply with Environment Quality (Clean Air) Regulation 2014, Regulation 5 (1) (d) & (2).</p>	
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		ii) Only A1 charge man responsible for the operation of private installation (with synchronization), which does not comply with Electricity Supply Regulation 2024, Regulation 63 under Electricity Supply Enactment 2024. Thus, a major NC was issued.							
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 -	Lahad Datu POM adopt the JC Chang Group SOP on Mechanism to Trace Changes in Legal Requirements. Refer doc. no. E/005-08/2021 dated 13/12/2021. In the SOP stated that the Headquarters has subscribed with Malaysia Gazette On – Line with website www.lawnet.com.my. The Lead Auditor for Internal Control Team (ICT) will access the subscribed website at the end of every month to track any relevant changes. The Lead Auditor will notify the Plantation Department on any changes. The Plantation Department will convey any changes and the appropriate action to be taken via email and hardcopy letters to the operating units. Latest updated list of summaries of applicable laws and regulations (Sabah) dated 18/07/2024 was verified and has included the following act/regulation/ordinance/enactment i.e: i) Electricity Supply Enactment 2024 ii) Occupational Safety and Health Act (OSHA) amendment 2022 - OSHA (Plant Requiring Certificate of Fitness) Regulation 2024 iii) Environment Quality Act 1974 (amendment 2024)	Complied						
2.1.3	Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries. - Minor compliance -	<table><tr><td colspan="2">Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries as verified at the following estate’s boundaries:</td></tr><tr><td>Location of boundary</td><td>Remark</td></tr><tr><td>Field 17A, 16A</td><td>Boundary with Linddale estate</td></tr></table>	Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries as verified at the following estate’s boundaries:		Location of boundary	Remark	Field 17A, 16A	Boundary with Linddale estate	Complied
Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries as verified at the following estate’s boundaries:									
Location of boundary	Remark								
Field 17A, 16A	Boundary with Linddale estate								

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		Field 20A, 19A & 17A	Boundary with Tenegang-Koyah Land Reserve (under management of by Agriculture Department)													
		Boundary marker/peg has been erected as demarcation and clearly visible along estate's boundary.														
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 -	Lahad Datu POM and Hwa Li 2 management maintains a list of contracted parties documented in the List of Stakeholders. Contracted parties identified were among outsider growers, service providers, suppliers and CPO/PK transporters.		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 -	All contracted parties/vendors were provided by appointment agreement and Sustainability Compliance Contract with Operating Unit, Doc. No. E023-01/2019, date 12/08/2019 which highlighted commitment in meeting applicable legal requirements, prohibiting of child labour, forced labour, trafficked labour, and protection clauses of young worker employment. Sighted sampled outside FFB supplier and transporter at Lahad Datu POM as table below: <table><tr><td>Contractor</td><td>Status</td><td>Date of agreement</td></tr><tr><td>Sri Badas Sdn Bhd</td><td>Outside FFB Supplier</td><td>02/01/2024</td></tr><tr><td>Prestige Central Management</td><td>Outside FFB Supplier</td><td>02/01/2024</td></tr><tr><td>Pengangkutan Dagang Tera Sdn Bhd</td><td>CPO & PK Transporter</td><td>01/09/2023</td></tr></table>		Contractor	Status	Date of agreement	Sri Badas Sdn Bhd	Outside FFB Supplier	02/01/2024	Prestige Central Management	Outside FFB Supplier	02/01/2024	Pengangkutan Dagang Tera Sdn Bhd	CPO & PK Transporter	01/09/2023	Complied
Contractor	Status	Date of agreement														
Sri Badas Sdn Bhd	Outside FFB Supplier	02/01/2024														
Prestige Central Management	Outside FFB Supplier	02/01/2024														
Pengangkutan Dagang Tera Sdn Bhd	CPO & PK Transporter	01/09/2023														
2.2.3	All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young	All contracted parties/vendors were provided by appointment agreement and Sustainability Compliance Contract with Operating Unit, Doc. No. E023-		Complied												

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	workers are employed, the contracts include a clause for their protection. - Minor compliance -	01/2019, date 12/08/2019 which highlighted commitment in meeting applicable legal requirements, prohibiting of child labour, forced labour, trafficked labour, and protection clauses of young worker employment. Sighted sampled outside FFB supplier and transporter at Lahad Datu POM as table below: <table><tr><th>Contractor</th><th>Status</th><th>Date of agreement</th></tr><tr><td>Sri Badas Sdn Bhd</td><td>Outside FFB Supplier</td><td>02/01/2024 -</td></tr><tr><td>Prestige Central Management</td><td>Outside FFB Supplier</td><td>02/01/2024</td></tr><tr><td>Pengangkutan Dagang Tera Sdn Bhd</td><td>CPO & PK Transporter</td><td>01/09/2023</td></tr></table>	Contractor	Status	Date of agreement	Sri Badas Sdn Bhd	Outside FFB Supplier	02/01/2024 -	Prestige Central Management	Outside FFB Supplier	02/01/2024	Pengangkutan Dagang Tera Sdn Bhd	CPO & PK Transporter	01/09/2023	
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Prestige Central Management	Outside FFB Supplier	02/01/2024													
Pengangkutan Dagang Tera Sdn Bhd	CPO & PK Transporter	01/09/2023													
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 originsEvidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholderOne or more supporting documents for claimsValid MPOB license - Critical (Major) compliance -	Lahad Datu POM has established geo-location information for all directly source of FFB documented in Stakeholder List (FFB Supplier). Among the information available is: <ul style="list-style-type: none">FFB supplier name,Person responsible,Address and contact no.,MPOB License and expiry date andGeo-location coordinate. Copy of the land title, MPOB license, and related information for the FFB supplier was maintained by the mill and kept in the external suppliers' file.	Complied												

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2.3.2	For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1. - Minor compliance -	For indirectly sourced FFB (from collection centres), the information required for this indicator was presented by the mill, including a copy of the land title, geo-coordinate information, delivery notes from the indirect FFB supplier, and the MPOB license.	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. - Critical (Major) compliance -	<p>Hwa Li 2 and Lahad Datu POM have documented business and management plans demonstrating their commitment to long-term economic and financial viability. The budget projections for 2023/24 to 2026/2 were reviewed, covering activities such as upkeep, cultivation, harvesting and evacuation, welfare, capital expenditure, and RSPO compliance (social, environment, safety and others). The budget also includes projections for yield per hectare, total production cost per metric ton and per hectare, as well as capital expenditure (CAPEX) primarily allocated for buildings, furniture, and other asset-related expenses.</p> <p>Among of information in budget projections are as below:</p> <table><tr><td>Detail</td><td>FY23/24</td><td>FY24/25</td><td>FY25/26</td><td>FY26/27</td></tr><tr><td>Hectare</td><td>2,537.08</td><td>2,314.96</td><td>2,343.98</td><td>2,109.62</td></tr><tr><td>FFB (MT)</td><td>50,039.83</td><td>43,994.82</td><td>41,346.56</td><td>35,066.92</td></tr><tr><td>Oil (MT)</td><td>9,200.00</td><td>8,500.00</td><td>7,950.00</td><td>7,000.00</td></tr><tr><td>Kernel (MT)</td><td>2,650.00</td><td>2,200.00</td><td>2,000.00</td><td>2,000.00</td></tr><tr><td>OER %</td><td>18.39</td><td>19.32</td><td>19.23</td><td>19.96</td></tr></table> <p>For Lahad Datu POM, the business management plan for 3 years is evident in projection 3 years records, which in summary is given as below:</p> <table><tr><td>Detail</td><td>FY25/26</td><td>FY26/27</td><td>FY27/28</td></tr></table>	Detail	FY23/24	FY24/25	FY25/26	FY26/27	Hectare	2,537.08	2,314.96	2,343.98	2,109.62	FFB (MT)	50,039.83	43,994.82	41,346.56	35,066.92	Oil (MT)	9,200.00	8,500.00	7,950.00	7,000.00	Kernel (MT)	2,650.00	2,200.00	2,000.00	2,000.00	OER %	18.39	19.32	19.23	19.96	Detail	FY25/26	FY26/27	FY27/28	Complied
Detail	FY23/24	FY24/25	FY25/26	FY26/27																																	
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Detail	FY25/26	FY26/27	FY27/28																																		

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		FFB (MT)	89,760.00	76,347	73,067	
		OER (%)	19.69	19.93	19.90	
		KER (%)	5.02	5.16	5.11	
		Production Cost (RM/Mt)	740.99	861.91	900.60	
		Forecast Price (RM/Mt CPO)	2,250.00	2,250.00	2,250.00	
3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, is available. - Minor compliance -	An annual replanting programme projected for a minimum of five years has been established by the Plantation Division as evident in the Replanting Program Reviewed FY 2024 to 2044 for all estates under J.C. Chang groups. For Hwa Li 2, replanting programme are as follows:				
		Year	2024	2025	2026	2027
		Hectare	222.12	238.94	230.00	234.60
						2028
						2029
3.1.3	The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake. - Minor compliance -	The management review procedure is documented in Guideline for Internal Auditing and Management Review of the Sustainability and Supply Chain System (Doc. Ref. No.: T/001-05/2024; Doc. Date: 20/08/2024). The procedure specified that the management review should be performed annually at planned interval which at appropriate scale and nature of group activities. The retention times for all records of management review should be at least 7 years. A management review was conducted on 26/02/2024 as per evidence in Management Review Minute Meeting (Lahad Datu Production Unit). Agenda discussed in the meeting are as follows:				
		<ul style="list-style-type: none"> Result of external audit from other production unit. Process performance and product conformity. Customer/stakeholder feedback. 				

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		<ul style="list-style-type: none"> • Changes that could affect the management system and recommendations for improvement. • Complaints and grievances. • Improvement of the effectiveness of the management system and its processes. • Resources needed. 	
Criterion 3.2: The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.			
3.2.1	(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification. - Critical (Major) compliance -	Continuous improvement plan for FY2023/2024: i) To upgrade facilities for process efficiency <ul style="list-style-type: none"> - Boiler panel relocation (cabling and civil works) - Boiler roofing and other related fittings refurbishment - Continuous Emission Monitoring System (CEMS) upgrading ii) Social and welfare <ul style="list-style-type: none"> - Betterment of house furniture and utensils for workers - Maintenance of staff and workers quarters (sanitation/upkeep/repair) iii) Environmental impacts <ul style="list-style-type: none"> - Waste management (empty bunch) - Waste reduction (clarification station – decanter maintenance) - Waste reduction (effluent plant – geo-tube preparation and construction for online/continuous desludging) 	Complied
3.2.2	As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].	The Certification Unit has filled their RSPO metrics template version 2.1. Based on verification through various documents such as land titles, JKPP report, employees register, computer software recording system (Lintramax system), the data reported in the metrics template were found to be accurate.	Complied

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	<p>PROCEDURAL NOTE:</p> <p>The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.</p> <p>Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p>		
Criterion 3.3: Operating procedures are Appropriately documented, consistently implemented and monitored.			
3.3.1	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Critical (Major) compliance -</p>	<p>Lahad Datu Palm Oil Mill use the documents established by JC Chang Holdings in the procedure and guidelines register, among others as follows:</p> <ul style="list-style-type: none"> a) Oil Palm Nursery and Replanting (Total 18 consists of SOP, Policy and Guidelines) b) Upkeep and cultivation (Total 32 consists of SOP and Guidelines) c) Soil, Water and Biodiversity Conservation & Management (Total 28 consists of SOP and Guidelines) d) Pest and Disease Management (Total 5 SOP) e) OSH Estate (Total 40 SOP) f) OSH Mill (Total 226 SOP) g) General (Total 12 consists of SOP and Guideline) <p>In addition, technical guidelines as listed in the MPOB Agricultural Reference Manual were also used. In general, the documents included operation activities in the estates and the mills from:</p> <ul style="list-style-type: none"> a) seedlings in nursery to planting of young palms. b) plantation upkeep to mill FFB receipt, grading, processing. c) quality analysis and dispatch of CPO & PK. d) security in the estates and mill. 	Complied

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		<p>Contents of the procedure, guidelines and SOP were disseminated to the workers through:</p> <ul style="list-style-type: none"> a) morning muster b) mill weekly briefings c) training as ad hoc and programmed basis. <p>The Manuals and SOP are also kept in the administration office to facilitate reference by any interested parties. Site inspection and interview with workers confirmed that the SOP had been implemented and the employees understood the requirements of the SOP.</p> <p>The SOPs are found adequate and covering all estate and mill processes and activities, written in English. Date of latest review is made available for each procedure.</p>	
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place.</p> <p>- Minor Compliance -</p>	<p>Currently, mechanism used to check consistent implementation of procedures is through internal audit, Agronomist Visit and General Manager visit.</p> <p>For example, the latest internal audits for Lahad Datu POM and Hwa Li 2 were conducted from 14 to 16/02/2024, and 17, 19 to 20/02/2024, respectively. The audits were carried out by the J.C. Chang Internal Control Team (ICT). Based on the internal audit reports, 31 Major NCRs, 18 Minor NCRs, and 5 OFIs were raised for Lahad Datu POM, while 22 Major NCRs, 12 Minor NCRs, and 8 OFIs were raised for Hwa Li 2. Based on the same report, the status of the NCs were found closed on 15/03/2024.</p> <p>The monitoring of the SOP implementation is made by all levels of the supervisory personnel with records maintained and checked. Among others the records maintained are as below</p> <ul style="list-style-type: none"> a) Daily production/work records for the core activities at the estates b) Field cost book / chemical consumption record 	Complied

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		<p>c) Mature/immature field work program</p> <ul style="list-style-type: none"> • Fertilizer application, • Herbicide spraying, / rat baiting, • Harvesting and collection of FFB. • Water management action plan in relation to trenches / drain management / desilting program. <p>All the above records were kept for a minimum period of 12 months. In addition, the management adopted the following check and balances through visit of the following dept /superiors:</p> <p>a) Agronomic advisory report and fertilizer recommendation minimum 2x/year to monitor matters relating to:</p> <ul style="list-style-type: none"> - nutrient deficiency, fertilizer program, pest & disease Ganoderma infection, rat and RB attack, EFB mulching program for the year etc. <p>b) Plantation Controller visit performing assessment relating to:</p> <ul style="list-style-type: none"> - land use, capital expenditure, general charges, - oil palm (mature & immature area) field condition. - crop performance and cost. - vehicles & equipment, amenities, - labour and security etc. - Replanting activities 	
3.3.3	<p>Records of monitoring and any actions taken are maintained and available.</p> <p>- Minor Compliance -</p>	<p>The implementation of SOP is monitored on a daily basis by the field staffs and Assistant Managers with overall overview by the Managers. The monitoring is made via supervision and records maintenance. The estates among others maintained the following records.</p> <p>a) Work program / Field cost books.</p>	Complied

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		<p>b) Bin cards, Harvesting Intervals, c) Monthly Estate Report and Account, d) Monthly Operations, monthly rainfall, e) Pest and diseases monthly return, f) Agrochemical monthly consumption g) Harvesting details i.e., daily inspection report - yield improvement program, h) Summary of machinery running hours i) Harvesting records detailing the number of bunches harvested j) Quantity of loose fruit collected by each harvesters. k) Monthly FFB production, etc.</p> <p>For mill, the monitoring records maintained among others were related to: a) Monitoring of effluent / black smoke b) Processing & produce parameters. c) Dispatches / scheduled wastes etc. d) Monitoring consistent implementation of procedures through internal audit e) Daily shift report for the process performance. f) There was a flow chart showing method for monitoring compliance of requirements including legal requirements. g) Internal audits are performed once a year minimum.</p> <p>In addition to the above, Hwa Li 2 has monthly developed and maintained Monthly Progress Report. Review the sample report for the month of May 2024. The reports contain the following:</p>	
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		<ul style="list-style-type: none"> • Area Statement (Mature, Immature, Uncultivated area, Total hectarge) • Staff movement • Labor Statistic • Accommodation for staff and workers (Buildings/housing) • Capital expenditures • General Charges (Staff, Labor lines, Upkeep premises, Office Expenses and etc) • Upkeep and cultivation cost • Progress of Fertilizer application • Compost Costing • EFB Semi -Decomposed • Weeding and Spraying Progress • Road works Expenses, Soils and water conservation • Pruning Progress • FFB, oil and kernel yield • Harvesting adequacy & rounds • FFY yield per Ha Comparison • Crop quality (OER & KER) and etc. <p>For Lahad Datu POM, sighted Monthly Progress Report where the data extracted from Lintramax covering monthly performance:</p> <ul style="list-style-type: none"> • Mill production • Daily processing hour • Daily extraction rate • Revenue expenditure summary • General charges summary 	
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		<ul style="list-style-type: none"> • General Overhead summary • Stock despatch position CPO • Stock despatch position PK • Despatch discrepancy • Capital Summary and other monitoring parameters. 	
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.			
3.4.1	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>No new planting activities have been verified in estate, and there are no new operations assessed at the mill.</p> <p>It was noted that Social and Environmental Impact Assessment has been carried out by Wild Asia in a participatory manner, dated 09/03/2023 after transition to new management in 2022. The assessment is on the other hand to identify potential and actual social and environmental impacts caused by the social conditions during the change of management, operation phase, and replanting stages of the estate's activities.</p> <p>The reports established include objectives, categories, actions, frequency, persons in charge, and monitoring periods. The assessment methodology involved onsite interviews with stakeholders, onsite visits, and documentation reviews. The assessment covered affected stakeholders such as contractors, school representatives, CLC teachers, government authority officers, nearby local communities, and internal workers.</p> <p>Issues raised by all stakeholders were incorporated into a management plan which updated every two years. Identified main social aspects and impacts from SIA considered in the plan including the following categories:</p> <ul style="list-style-type: none"> - Worker's Condition – employee's happiness and satisfaction with improved communication and better wages - Employees and dependent livelihood's legalization - Workers' Working Condition- Housing Condition & Inspection, 	Complied

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		<p>- Communication & Consultation- External stakeholder's feedback.</p> <p>Based on Environmental Protection Enactment 2002, Environmental Protection Order (Prescribed Activities) 2005, Agriculture 2nd Schedule (replanting/development of estate area > 500 ha), an EIA is required to the said activity. A proposed replanting of 3,007 ha of Oil Palm Plantation at Ong Yah Ho Estate and Gomantong Estate on Land Title Nos. CL095327218 and CL095310731 in the District of Kinabatangan, Sabah by TSH Resources Sabah (previous owner of the properties) dated March 2016 by Environmental Protection Department approved consultant, Kiwi Heng Environmental Consultations Sdn Bhd. EIA report ref: KWEV-(EV)/15/12.</p> <p>Nonetheless, the assessment of environmental impact of its existing activities and Management Plan is documented in the following documents. Refer Environmental and Social Improvement Plan Period Review: 27/10/2023, next review date: 27/09/2025. Main topics discussed as below:</p> <ol style="list-style-type: none"> 1. Soil – Steep slope, soil erosion, soil degradation, soil management, ultra basic soil 2. Water – Excessive used of water from upstream activity thus affecting downstream users, contamination of surface and ground water through run off soil, nutrient or chemicals, application field and leachate due to recycling, water wastage and increase of chemical usage, water shortage, Operational activities and water for household consumption. 3. Energy – Renewable energy, non-renewable energy 4. Operational procedure – Land development, land preparation, Open Burning, Estate and Mill Operational requirement 5. Pollution – Sludge, oil spillage, leachate from Processing by product, leachate from by product application (Biomass recycling), Leachate from domestic waste, Lubricant and grease, Diesel spillage, Chemical spillage, Overflow / leakage of sewages 	
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		<p>6. Emission – significant pollutant</p> <p>7. Waste – Recycle waste, non-recycle waste, schedule waste.</p> <p>8. Water course and wetland – Identification monitoring and management</p> <p>9. HCV Assessment</p> <p>The assessment of environmental impact of its existing activities for mill documented under In-house Environmental and Social Improvement Plan – Lahad Datu Palm Oil Mill, date of review: 27/10/2023, next review date: 27/09/2025. Main aspect and impact identified as per the following:</p> <ol style="list-style-type: none"> 1. Soil erosion – loss of particular, soil organic, biodiversity, deviation of soil pH through surface run-off 2. Water – Excessive used of water from upstream activity thus affecting downstream users, contamination of surface and ground water through run off soil, nutrient or chemicals, water wastage due to excessive usage for operational and household consumption. Deterioration of water quality and availability. 3. Energy – Renewable energy, non-renewable energy exhausted resources, GHG emission 4. Operational procedure – Land development, land preparation, Open Burning, Estate and Mill Operational requirement 5. Pollution – Sludge, oil spillage, leachate from Processing by product, leachate from by product application (Biomass recycling), Leachate from domestic waste, Lubricant and grease, Diesel spillage, Chemical spillage, Overflow / leakage of sewages 6. Emission – significant pollutants i.e. GHG , boiler and generator smoke 7. Waste – Recycle waste, non-recycle waste, schedule waste. 8. Water course and wetland – Identification monitoring and management 	
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3.4.2	<p>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.</p> <p>- Minor Compliance -</p>	<p>The continuous implementation of the improvement activities was checked during the field visit and documents review. Social management plan has been reviewed for estate and mill every two years. SIA management plan has been developed after compilation the feedback and issues during various of meeting such as external stakeholder meeting, union meeting and gender committee meeting. Summary of issues raised will be incorporated in the SIA management plan for further monitoring.</p> <p>Social improvement plan was developed to address issues and concerns derived from Social Impact Assessment (SIA), dated 09/03/2023. Latest update was on 16/05/2024 where estate updated their progress of implementation, time frame and justification action taken. However, based on minutes of external stakeholder meeting conducted on 16/11/2023 and 20/06/2024, no evidence that the plan has been developed with participation of affected stakeholders. Issues that captured during the Social Impact Assessment (SIA) have not been addressed and discussed during the external stakeholder meeting. Interview session with the stakeholder also confirmed that there are no discussion regards to their concerns.</p> <p>For environment, the continuous implementation of the improvement activities was checked during the field visit and documents review. 2 main documents are referred to for the environmental management/monitoring plan establishment:</p> <p>i) EIA document</p> <p>A proposed replanting of 3,007 ha of Oil Palm Plantation at Ong Yah Ho Estate and Gomantong Estate on Land Title Nos. CL095327218 and CL095310731 in the District of Kinabatangan, Sabah by TSH Resources Sabah (previous owner of the properties) dated March 2016 by Environmental Protection Department approved consultant, Kiwi Heng Environmental Consultations Sdn Bhd. EIA report ref: KVEC-(EV)/15/12.</p>	Non-compliance
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		<p>ii) Approved Environmental Condition (AEC) – 2 years validity</p> <p>AEC ref: JPAS/PP/06/600-1/111/244(32), Replanting of Oil Palm Plantation at CL095327218 and CL095310731, Hwa Li 2 and Gomantong Estate, dated 26th September 2022.</p> <p>The environmental management plan has been established to monitor the identified significant activities that give impacts to the environment with participation of affected stakeholder. Assistant Manager of each estate/mill has been appointed the task of monitoring to ensure the plan is effectively implemented.</p> <p>Despite the above, the Environmental Aspect Impact (EAI) assessment and the environmental management plan were not effectively developed, and the involvement of affected stakeholders in the development of the social management plan was not demonstrated for the following:</p> <ul style="list-style-type: none"> i) Stockpile of EFB, impact of methane/CH₄ emission from anaerobic process > fire emergency was not assessed. Based on observation, stockpile of EFB was evident at site. ii) Noise emission (nuisance) was not assessed and only cover the impact on hearing loss to the mill workers. iii) Water analysis - Upset condition for domestic/drinking water analysis was not captured in the said plan <p>Thus, a minor NC was issued.</p>	
3.4.3	<p>(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</p> <p>- Critical (Major) compliance -</p>	<p>No new planting activities have been verified in estate, and there are no new operations assessed at the mill. It was noted that Social and Environmental Impact Assessment has been carried out by Wild Asia in a participatory manner, dated 09/03/2023 after transition to new management in 2022. The assessment is on the other hand to identify potential and actual social and environmental impacts caused by the social</p>	OFI

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		<p>conditions during the change of management, operation phase, and replanting stages of the estate's activities.</p> <p>Progress of implementation and actions conducted were updated accordingly in the Action Plan Review upon appropriate assessments and reviews. Time frame, Person in Charge and action taken were clearly define in mentioned documents.</p> <p>Environmental and Social Improvement Plan Period Review: 27/10/2023, next review date: 27/09/2025 for estates Lahad Datu Palm Oil Mill and Estate is referred to. Management Action Plans was being implemented and reviewed done in a participatory way as evidenced from minutes of meetings, discussions, written feedbacks/responses from internal and external stakeholders. Each Management Action Plan has identified the Environmental Aspects-Impacts, Action Plan undertaken (solution and method involved), Action Plan Review, Time frame, PIC and Further Action Required After Review.</p> <p>On top of internal monitoring done as described, stipulated in the AEC, Environmental Compliance Monitoring (ECR) to be carried out every 6 months by Environmental Protection Department (EPD) approved consultant. For 2023, 2 ECR monitoring carried out by North Borneo Environmental Services Sdn Bhd (NOBES) as per below summary:</p> <table><tr><th>ECR report ref./date</th><th>Compliance status</th></tr><tr><td>NOBES/22/11/170/SM dated 2/05/2023</td><td>i) Compliance monitoring – AEC, complied. ii) Impact monitoring – Water quality parameters are within the standard limit of class III of NWQS for Malaysia</td></tr><tr><td>NOBES/23/11/170/EA dated 6/12/2023</td><td>i) Compliance monitoring – AEC, complied. ii) Impact monitoring – Water quality parameters are within the standard limit of class III of NWQS for Malaysia</td></tr></table>	ECR report ref./date	Compliance status	NOBES/22/11/170/SM dated 2/05/2023	i) Compliance monitoring – AEC, complied. ii) Impact monitoring – Water quality parameters are within the standard limit of class III of NWQS for Malaysia	NOBES/23/11/170/EA dated 6/12/2023	i) Compliance monitoring – AEC, complied. ii) Impact monitoring – Water quality parameters are within the standard limit of class III of NWQS for Malaysia	
ECR report ref./date	Compliance status								
NOBES/22/11/170/SM dated 2/05/2023	i) Compliance monitoring – AEC, complied. ii) Impact monitoring – Water quality parameters are within the standard limit of class III of NWQS for Malaysia								
NOBES/23/11/170/EA dated 6/12/2023	i) Compliance monitoring – AEC, complied. ii) Impact monitoring – Water quality parameters are within the standard limit of class III of NWQS for Malaysia								

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		<p><i>*National Water Quality Standard (NWQS)</i></p> <p>Environmental Compliance Report (ECR) was carried out based on previously Approved Environmental Condition (AEC) @ Aku Janji signed in 2022 by the previous company's management. As instructed by Environmental Protection Department (EPD), a new AEC has to yet be signed by JC Chang management in order to continue with the on-going replanting together with ECR submission to EPD for Gomantong Estate (Division of Hwa Li 2 Estate) in future. Opportunity for Improvement (OFI) were raised against this indicator.</p>	
Criterion 3.5: A system for managing human resources is in place.			
3.5.1	<p>Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.</p> <p>- Minor Compliance -</p>	<p>J. C. Chang Holdings Berhad has established Guidelines on procedure of recruitment, selection, hiring, promotion, retirement and termination dated 12/08/2019 document reference number E020-01/2019 to explain the recruitment processes for both local and foreign workers.</p> <p>This procedure explained details of recruitment, selection, hiring, promotion, retirement, and termination, and is available to workers and their representatives in documented form. It provides guidelines for the recruitment processes of both local and foreign workers. The recruitment of foreign workers is conducted by Headquarters.</p> <p>The procedures and guidelines were available for review upon request.</p>	Complied
3.5.2	<p>Employment procedures are implemented, and records are maintained.</p> <p>- Minor Compliance -</p>	<p>Referring to "Guidelines on procedure of recruitment, selection, hiring, promotion, retirement and termination" dated 12/08/2019 document reference number E020-01/2019 which explain the recruitment processes for both local and foreign workers.</p> <p>Verified and review workers document such as application form, employment interview assessment form, identity documents, work permits, medical check-up report, offer letter and employment contract. All documents are available to review for both local and foreign workers.</p>	Complied

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Criterion 3.6: An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.		
3.6.1	<p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>Policy for Occupational Health and Safety has been documented in the Health and Safety Policy dated 01/01/2024 and signed by Mill Director and Plantation Director.</p> <p>In the policy stated the company is responsible for creating a harmonious, safe and healthy working environment for all employees. The company also emphasize to ensure the following:</p> <ul style="list-style-type: none"> - The safety and health of all staff and workers is maintained at workplace. - Every employee, contractor and employee is responsible for taking care of the safety and health themselves and their colleagues while working. - Every staff contractor and worker must comply with the estate/factory regulations and the Workers Safety and Health and Act 1994 which deals with safety and health matters. - Establish a safer work and process system, in order increase efficiency and productivity to create better, healthy and safe work environment. - Always conduct training and awareness campaigns on safety and health programs for all parties involved. <p>Reflecting to the above policy, all operations were risk assessed to identify all health and safety issues by estates and mill. Mitigation plans and procedures were available, documented and implemented.</p> <p>Risk assessment for HIRARC is guided by procedure entitled Risk Management and Mitigation Plan (Doc. Ref. No.: U029-02/2024; Doc Date: 14/02/2024). Appropriate risk control measures were determined and implemented for the respective activities and operation at all visited estates and mill. HIRARC will revise if more than three years have elapsed since</p>

Non-compliance

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		<p>the last assessment, whenever there are changes in process or activities, directed by the Director General, Deputy Director General or the Director of Occupational Safety and Health and every accident case happened.</p> <p>Risk assessed carried out are as below:</p> <p><u>Hwa Li 2</u></p> <ol style="list-style-type: none">1. HIRARC was established in the estate to assess all risks and hazards associated to all operations in the estate using latest format Hazard Identification, Risk Assessment and Risk Control Form. There was risk identified as significant and control measures determined to mitigate the risks. <p>Observed during site visit to strip spraying, backhoe and excavator found that the workers were worn PPE as per HIRARC recommendation. Latest revised HIRARC document was on 09/04/2024 for mealybug operation.</p> <ol style="list-style-type: none">2. Chemical Health Risk Assessment (CHRA) has been conducted on 04/06/2022. Report of the CHRA is provided for verification during the audit (report no.: REF. NO.: HQ/15/ASS/00/364-2022/31). Latest CHRA report for additional chemical was conducted on 01/02/2024 (Report Reference No.: REF. NO: HQ/15/ASS/00/364-2024/03. The assessment has been conducted by competent person with DOSH registration no.: HQ/15/ASS/00/364. Based on CHRA report, the assessment conducted at the work unit of spraying operator, manuring operator, nursery operator and workshop technician. <p>All workers were exposed to the chemical hazards consists of pesticides sprayer have undergone medical surveillance programme as recommended in CHRA report. Medical surveillance was conducted on 10/11/2023 by Occupational Health Doctor (OHD) with DOSH registration no.: HQ/16/DOC/00/557. The result medical surveillance has been acknowledged by the workers as verified during interview with sampled workers during field visit. All workers undergo medical</p>	
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		<p>surveillance is fit to continue their work without any abnormal results caused by occupational. In addition, site visit at chemical store, fertilizer store and chemical premix area found that the workers understand and able to demonstrate the used of appropriate PPE for conducting the work related to chemical as recommended in the CHRA report.</p> <p>3. Noise Risk Assessment (NRA) was conducted on 08/09/2022 (Report Reference No.: STS/SSS/Noise – 507/22) by competent person with DOSH registration no.: HQ/14/PEB/00/125. From the report, it was found that the activity assessed in the assessment were tractor, backhoe, excavator and grass cutting. This is found in compliance to the Occupational Safety and Health (Noise Exposure) Regulations 2019. Site verification at field and store found that recommendation from the assessment were implemented such as fixing hearing protection sticker, wearing personal hearing protector at the noise area and to conduct audiometric test to the workers annually. Latest audiometric test was conducted on 08/11/2023 resulted in out of 41 workers inspected, 6 of them are recommended to undergo further medical checkup with Occupational Health Doctor (OHD). Audiometric test report received by the estate on 08/01/2024. Medical examination was conducted by OHD (DOSH Registration No.: HQ/16/DOC/00/557) on 01/02/2024 and out of 6 workers re-examined, it was recommended to continual annual audiometry, training and provide of PHP.</p> <p><u>Lahad Datu POM</u></p> <p>1. HIRARC was established in the mill to assess and identified risks and hazards of all operations in the mill and to provide control measures to reduce and eliminate where possible the risks. HIRARC was established on 01/11/2023. Among the HIRARC verified were for Kernel Plant, Boiler Operation, Sterilizer Operation, FFB Ramp and Effluent Treatment Plant.</p>	
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		<p>2. Chemical Health Risk Assessment (CHRA) has been conducted on 06/04/2024 and completed on 05/05/2024 to check the compliance to the provisions of the USECHH Regulations 2000 with respect to exposure to chemicals hazardous to health at the workplaces. Report of the CHRA is provided for verification during the audit (report no.: REF.NO: HQ/15/ASS/00/364-2024/06). The assessment has been conducted by competent person with DOSH registration no.: HQ/15/ASS/00/364. Based on CHRA report, the assessment conducted at the work unit of water treatment plant, boiler, workshop, laboratory and SBR plant.</p> <p>Among recommendation in the CHRA report is to conducted medical surveillance and biological monitoring to the workers exposed to chemical hazards such as Hexane and Potassium Chromate. Medical surveillance and biological monitoring were conducted on 07/06/2024 by Occupational Health Doctor (OHD) with DOSH registration no.: HQ/16/DOC/00/557 and the result was received on 03/09/2024. Based on the results of medical surveillance, 04 of the workers who undergone medical surveillance are needed for Medical Removal Protection (MRP) due to health hazardous side effect. The conclusion of medical surveillance finding for the workers is unfit until 06/09/2024. The repeat test (urine chromium) for 4 workers will be conducted on 07/09/2024 as evident in the letter from OHD dated 28/08/2024 which accompanies the medical surveillance result report.</p> <p>3. Noise Risk Assessment (NRA) was conducted on 13 to 17/02/2024 by competent person with DOSH registration no.: HQ/14/PEB/00/125. The NRA report was available for verification. All work unit that exposed to the noise exposure were assessed such as sterilisers, loading ramp, unstripped bunch, press, capstan, kernel plant, crane, oil room, boiler room, engine room, workshop, grading, store, laboratory, water treatment plant, transportation (shovel and tractor), landscaping (grasscutter).</p>	
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		<p>Site visit at the mill workstation found that recommendation from the NRA were implemented such as fixing signage hearing protection zone at the noise area and ear plug were used as personal hearing protection (PHP) by workers at high pitch area. In addition, there is an Audiometric Test was conducted on 16/05/2024 by Occupational Health Doctor (OHD) with DOSH registration no.: HQ/16/DOC/00/557 to all workers stationed at high pitch area such as engine room, laboratory, oil room, boiler room, crane, press operator, kernel plant, workshop, transportation, grasscutter, kernel plant and unstripped bunch station. The result received by the mill on 29/06/2024. As a result, from audiometric test, out of 31 workers inspected, 3 of them declared as having abnormal results (1 hearing loss non NIHL pattern, 1 hearing NIHL pattern and 1 permanent standard threshold shift). OHD recommended these workers to undergo medical examination and retest audiometry within 3 months. The medical examination and retest audiometric for the workers will be conducted on 07/09/2024 as evident in the letter from OHD dated 28/08/2024.</p> <p>4. Local Exhaust Ventilation Monitoring was conducted on 03/02/2024 by competent person with DOSH registration no.: HQ/22/JHII/00/364 with report no.: HQ/22/JHII/00/364/2024-06. Checklist for hood and ducting system were made available during the audit and the inspection conducted by monthly basis as evident in the form entitled Local Exhaust System Monthly Checklist. Latest inspection was conducted on 30/07/2024.</p> <p>Despite the above, it was found that the recommendation and control measure in the risk assessment are not comprehensively implemented. The following evidence were found during the audit:</p>	
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		<p><u>Lahad Datu POM</u></p> <ol style="list-style-type: none"> 1. According to the Chemical Health Risk Assessment (CHRA) report (Reference Report No.: HQ/15/ASS/00/364-2024/06), received on 29/05/2024, the assessor recommended conducting personal chemical exposure monitoring for Potassium Chromate under the laboratory work unit. However, this chemical exposure monitoring has not yet been conducted. 2. During the site visit to the boiler station, it was observed that two workers were monitoring boiler at the station during the FFB process. One of the workers was wearing a safety helmet, safety shoes, and ear plugs but was not wearing N95 face mask. The worker mentioned during the interview that he was aware of the requirement to wear the N95 face mask but chose not to due to discomfort. This does not align with the risk control measures outlined in the HIRARC for boiler station activities, which require the use of an N95 face mask during the FFB process. <p><u>Hwa Li 2</u></p> <ol style="list-style-type: none"> 1. During a site visit to the strip spraying activities at field 98C9, it was confirmed by the mandore and sprayer that the chemicals used for spraying were Ammo Supre (glyphosate monoammonium), Ally 20 DF (metsulfuron methyl), and Miracle. However, the mandore brought the wrong Safety Data Sheet (SDS) for the chemicals used i.e., SDS for Garlon instead of the actual chemicals used for the spraying activities at that time. This is not in line to the recommendation in the Chemical Health Risk Assessment (CHRA) Report (Report Reference No.: HQ/15/ASS/00/364-2022/31) for spraying operator work units, which states that the SDS at the location where chemicals are handled. 2. During the site visit to field P98A, backhoe activities were observed. Interview with the backhoe driver confirmed that he has not undergone 	
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		<p>an audiometric test. The Noise Risk Assessment (NRA) Report indicates that, for the backhoe driver, the recommendation is to continue with the annual audiometric program due to a noise exposure level of 87.0 dB.</p> <p>Verification of the workers' master file showed that the workers (backhoe driver) was transferred from harvester to backhoe driver effective 11/1/2024. However, this worker has not yet undergone audiometric testing within the required three months of starting as a backhoe driver.</p> <p>With the above objective evidence, a Major non-conformity is raised against this indicator.</p>	
3.6.2	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.</p> <p>- Critical (Major) compliance -</p>	<p>Estate and mill were monitored the effectiveness of safety and health plan to the workers by established In House Safety and Health Improvement Plan for the year 2024. The plan is based on the result of an evaluating process on the effects and/or practicable of an action or series of actions implemented and/or undertaken by the management operating unit. The plan had been reviewed annually, updated by the estate and mill, and approved by respective manager for estate and mill.</p> <p>OSH Policy found to be clearly displayed at mill and in the estate's office. Interview with sampled workers demonstrated awareness towards occupational safety and health.</p> <p>Referring to In House Safety and Health Improvement Plan for the year 2024 that has been prepared by certification units. Among the safety and health plan discussed were:</p> <ol style="list-style-type: none"> 1. OSH policy to be established and reviewed where necessary or not more than 2 years. 2. Identify related law and person in charge will monitor the implementation according to law and regulation where practicable. 	Complied

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		<ol style="list-style-type: none"> 3. OSH committee to be formed as a communication channel on safety issues. 4. HIRARC to be developed for each job or task. 5. To establish procedures related to safety and health aspects. 6. Identify job that involves with chemical handling. Chemical information to be made available and updated from time to time for workforces' references. 7. Provide suitable PPE, safety tools, equipment and implements as per requirement. 8. Employers implementing hearing conservation programme seeks to prevent early job hearing loss, preserve and protect hearing loss. 9. Identify the Emergency Respond Plan (ERP) and establish procedures on ERP. 10. Report accident case (through JKPP 6, JKPP 7 and JKPP 8) 11. Conduct OSH emergency meeting for accident improvement. <p>Reflecting on the above, programmes for workers health and safety were satisfactorily implemented. Estates and mill have established Training Program for year 2024 to ensure that safety and health plan is implemented. Quarterly workplace inspection conducted by OSH Committee to address the identified health and safety risks is a one mechanism of monitoring the safety and health plan implementation. In addition, the safety performance of estate and mill is monitored through the internal audit conducted by J.C. Chang Internal Control Team (ICT). Latest internal audit conducted on 14 to 16/02/2024 and 17,19 to 20/02/2024 for Lahad Datu POM and Hwa Li 2 respectively. As mentioned in indicator 3.6.1, medical surveillance and audiometric test programme was conducted by the estate and mill annually as recommended in the CHRA and NRA report. To report unsafe act/condition in the workplace,</p>	
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		<p>workplace inspection which conducted quarterly is used as a mechanism for monitoring. For Hwa Li 2 estate and Lahad Datu POM, the latest updated in the system was on 15/04/2024. Moreover, supervising safety of the workers is part of responsibility of staff, assistant manager, and manager of each operating unit. Hence, monitoring safety and health plan is done through directly involvement from management.</p> <p>OSH minutes meeting (conducted quarterly) and muster call briefing was discussed the results of the above monitoring mechanism and appropriate action are taken.</p>	
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>- Critical (Major) compliance -</p>	<p>A documented training programme has been developed and available for Hwa Li 2 and Lahad Datu POM. Training Program for year 2024 are listing trainings covering aspects of safety, health, environment and social which involves staff, workers, and contractors. It also found the training programme covers all aspects of the RSPO P&C requirements. Training evaluation form were provided to the workers after training session to evaluate status of their competency.</p> <p>Furthermore, estate and mill visited has established training needs of individual employees prior to planning and implementation of the training programme/plan with purpose to provide the specific skill and competency required to all employees based on their job description. The training analysis was conducted based on the job designation and training required by the job type. This has been verified in the training evaluation form.</p> <p>Interview with sampled workers during field visit, found that the workers have been trained with their specific task, safety and emergency procedure and mention that the training was conducted on yearly basis. The training was sighted to include Gender Specific Training at estate and mill visited.</p> <p>Based on the documents reviewed and interview conducted, it was concluded that the training program has been effectively established.</p>	Complied

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3.7.2	Records of training are maintained. - Minor Compliance -	Records of trainings were maintained by the mill and all estates visited. It was observed that the records consist of all necessary information (attendance, photos, and training contents). Example of the verified records are as follows: <u>Hwa Li 2</u> <table><tr><th>Name of Training</th><th>Date</th></tr><tr><td>Policy Briefing</td><td>25/01/2024</td></tr><tr><td>Training for sprayer, chemical handler, SDS and chemical surplus</td><td>16/01/2024</td></tr><tr><td>Safe Working Procedures for Premix, Chemical Area and Triple Rinse</td><td>16/01/2024</td></tr><tr><td>Safe Working procedure for harvester</td><td>27/01/2024</td></tr><tr><td>Manuring and SDS Training</td><td>15/02/2024</td></tr><tr><td>Training for Workshop Technician</td><td>19/01/2024</td></tr><tr><td>First Aid Training</td><td>07/03/2024</td></tr><tr><td>Firefighting and Emergency Response Plan Training</td><td>03/09/2024</td></tr><tr><td>Safe Working Procedure at Creche</td><td>29/07/2024</td></tr><tr><td>Safe Working Procedure Working at Height Training</td><td>10/07/2024</td></tr><tr><td>Safe Working Procedure for Grass cutting</td><td>20/08/2024</td></tr><tr><td>Hearing Conservation Programme Briefing</td><td>18/08/2024</td></tr><tr><td>Policy Training to Contractor</td><td>06/03/2024</td></tr><tr><td>IPM Training</td><td>06/03/2024</td></tr></table>	Name of Training	Date	Policy Briefing	25/01/2024	Training for sprayer, chemical handler, SDS and chemical surplus	16/01/2024	Safe Working Procedures for Premix, Chemical Area and Triple Rinse	16/01/2024	Safe Working procedure for harvester	27/01/2024	Manuring and SDS Training	15/02/2024	Training for Workshop Technician	19/01/2024	First Aid Training	07/03/2024	Firefighting and Emergency Response Plan Training	03/09/2024	Safe Working Procedure at Creche	29/07/2024	Safe Working Procedure Working at Height Training	10/07/2024	Safe Working Procedure for Grass cutting	20/08/2024	Hearing Conservation Programme Briefing	18/08/2024	Policy Training to Contractor	06/03/2024	IPM Training	06/03/2024	Complied
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3.7.3	<p>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.</p> <p>- Minor Compliance -</p>	<p>Document review found, Lahad Datu POM has established and maintained relevant training record such as training plan, attendance list and training material.</p> <p>Training on SCCS was conducted in various sessions based on job area of the personnel, e.g.:</p> <ul style="list-style-type: none">• Training Critical Control Point 1A: Reception that was conducted on 06/11/2023.	Complied																										

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		<ul style="list-style-type: none"> • Training Critical Control Point 1B: Fruit inspection that was conducted on 06/11/2023. • Training Critical Control Point 2A: Extraction that was conducted on 06/11/2023. • Training Critical Control Point 2B: Clarification that was conducted on 06/11/2023. • Training Critical Control Point 2C: Nut & Kernel Plant that was conducted on 06/11/2023. • Training Critical Control Point 3: Quality Monitoring that was conducted on 06/11/2023. • Training Critical Control Point: Transport Ordering that was conducted on 06/11/2023. • Training Critical Control Point: Document Controller that was conducted on 06/11/2023. 	
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	Identity Preserved Module A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/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 process certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.	Not applicable as Lahad Datu POM is implement Mass Balance Module in its supply chain system. This has been explained in the Lahad Datu Palm Oil Mill Standard Operating Procedure entitled Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023).	Not Applicable

3.8.2	<p>Mass Balance Module</p> <p>A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. 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>Lahad Datu POM is implementing Mass Balance Module in its supply chain system. The FFB supplies are sourced from its supply bases (i.e., Hwa Li 2), outgrowers, independent smallholder and collecting centres. This has been explained in Section 1 of the Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023).</p> <p>The Mass Balance Worksheet entitled 'Sustainable CPO Mass Balance – Quarterly (FY24/25)' and 'Sustainable PK Mass Balance – Quarterly (FY24/25)' clearly segregate the certified and non-certified of FFB Receiving, FFB processed, CPO/PK Production, CPO/PK delivery and CPO/PK balance.</p>	Complied
3.8.3	<p>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. 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.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report (see Table 10). Since this is initial certification, the record of actual tonnage produced will be verified further at ASA 1 after the mill receive certificate.</p>	Complied
3.8.4	<p>The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.</p>	<p>Lahad Datu POM has been registered in RSPO IT Platform PalmTrace which information as follows:</p> <ul style="list-style-type: none"> • PalmTrace Member ID: RSPO_PO1000005713 • Member Category: Oil Mill • Supply Chain Model: Mass Balance • Commodity: Palm Oil • PalmTrace Account ID: RSPO_AC1000005608 <p>The parent company, JC Chang Group, has been a member of RSPO since 10/05/2006 with membership no.: 2-0029-06-000-00. The shipping</p>	Complied

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		announcement of product and removing product will be verified at ASA 1 after mill receive certificate. According to interviews with the mill management and internal control team, the mill has assigned personnel who will handle registration and reporting for any RSPO transaction in future with details of Mass Balance and shipping details.	
3.8.5	<p>Documented procedures</p> <p>The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. 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 mill's procedures for the implementation of this standard. The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill. 	<p>a) Lahad Datu POM has established Standard Operating Procedure entitled Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023) as guidance to ensure the handling of incoming FFB and outgoing CPO and PK are carried out in a proper manner to meet the sustainability requirements for traceability and mass balance. Among the elements covered in the procedure are:</p> <ul style="list-style-type: none"> Function Mass balance calculation Definition of periodical boundary Purchasing good in Record keeping Sales and good out Training Outsourced activities Claims Complaints and grievances <p>Besides that, the above procedure is also made references to the following procedures:</p> <ul style="list-style-type: none"> Standard Operating Procedure Critical Control Point 1: Reception (Doc. Ref. No.: CCP/01A-01/2023-LDPOM; Doc. Date: 01/11/2023) for weighbridge and grading station. 	Complied

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		<ul style="list-style-type: none"> - Standard Operating Procedure Critical Control Point 2: Mill Processing (Doc. Ref. No.: CCP/02A-01/2023-LDPOM; Doc. Date: 01/11/2023) for extraction station, clarification station and nut & kernel station. - Standard Operating Procedure Critical Control Point 3: Quality Monitoring (Doc. Ref. No.: CCP/03-01/2023-LDPOM; Doc. Date: 01/11/2023). - Standard Operating Procedure Critical Control Point 4: CPO and PK Despatch (Doc. Ref. No.: CCP/04-01/2023-LDPOM; Doc. Date: 01/11/2023) - Standard Operating Procedure for Mechanism for Handling Non-Conforming FFB and/or Outgoing Products (CPO/PK) (Doc. Ref. No.: SC/MHP-01/2023-LDPOM; Doc. Date: 01/11/2023) - Standard Operating Procedure for Transport Ordering (Doc. Ref. No.: SC/TO-01/2023-LDPOM; Doc. Date: 01/11/2023) <p>b) The mill has maintained complete and up-to-date information such as production report, training, internal audit and management review. Latest records available and verified during the audit are as follows:</p> <ul style="list-style-type: none"> • Internal Audit Report dated 14-16/02/2024. • Management Review Meeting dated 26/02/2024. • Training for Critical Control Points for SCCS, dated 06/11/2023. • Mass Balance Worksheet entitled 'Sustainable CPO Mass Balance – Quarterly (FY24/25)' and 'Sustainable PK Mass Balance – Quarterly (FY24/25)' from October 2023 until August 2024. • Daily Production Report extracted from LintraMax Mill Director system. <p>c) Appointed person having overall responsibility and authority over the implementation and compliance of SCCS requirements is Mill Manager</p>	
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		<p>as per appointment letter dated 06/11/2023, signed by Mill Director. He also has a team who support and committed towards SCCS implementation. Among the identified personnel are:</p> <ul style="list-style-type: none"> • Assistant Manager • Chief Clerk/Document Controller • Lab Attendant • Process Supervisor • Fruit Inspector • Weighbridge Clerk <p>Roles and responsibility of SCCS team was clearly mentioned in their appointment letter dated 06/11/2023. All the person in charge able to demonstrate awareness of the RSPO SCCS implementation as verified during the interview.</p> <p>d) The mill has documented procedures (as mentioned above for the incoming FFB, processing, ensuring no contamination and outgoing palm products (CPO and PK).</p>	
3.8.6	<p>Internal Audit</p> <p>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill:</p> <ol style="list-style-type: none"> a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. b. Effectively implements and maintains the standard requirements within its organisation. <p>ii) 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</p>	<p>The internal audit procedure is documented in Guideline for Internal Auditing and Management Review of the Sustainability and Supply Chain System (Doc. Ref. No.: T/001-05/2024; Doc. Date: 20/08/2024). The procedure explains that the purpose of the internal audit is to determine conformance with the requirements of the RSPO Supply Chain Certification Standard (SCCS) and the RSPO Rules on Market Communication and Claims. Referring to the RSPO SCCS internal audit report and checklist, it was found that the audit was covering all elements of the RSPO SCCS requirements.</p> <p>Based on records verification, latest internal audit has been conducted on 14-16/02/2024 by the appointed internal auditor from J.C. Chang's Internal Control Team (ICT). There are 7 Major NC raised as a result of the audit.</p>	Complied

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	subject to management review at least annually. The mill shall maintain the internal audit records and reports.	<p>All Major NCs raised has been satisfactorily closed within time frame given with root cause analysis and corrective action.</p> <p>The result of the internal audit was discussed in management review meeting. Latest management review meeting was conducted on 26/02/2024 and one of the agenda is to discussed result of the internal audit. This has been verified in the minutes of management review meeting. Other agenda discussed in the meeting are as follows:</p> <ul style="list-style-type: none"> • Result of external audit from other production unit. • Process performance and product conformity. • Customer/stakeholder feedback. • Changes that could affect the management system and recommendations for improvement. • Complaints and grievances. • Improvement of the effectiveness of the management system and its processes. • Resources needed. 	
3.8.7	<p>Purchasing and Goods In</p> <p>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.</p>	<p>i) Section 4.1 of Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023) states that document person in charge shall verify and document the volumes of certified and non-certified FFB received. 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. Information available in the estate's dispatch tickets is as follows:</p> <ul style="list-style-type: none"> • FFB Delivery Note No. • Estate's names • Date & time of delivery • Field No. 	Complied

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		<p>Information available in the estate's weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> • Name of estates • Field No. • Vehicle no. • Weighbridge ticket no. • Date & time of delivery • Total bunches • Net weight <p>ii) Section 4.2 of Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023) states that document person in charge shall inform the CB immediately if there is a projected overproduction of certified tonnage. Interview with person in charge indicates that he is aware on the requirements in this indicator.</p> <p>iii) Mechanism for handling non-conforming palm oil products and/or documents are explained in the procedure entitled Mechanism for Handling Non-Conforming FFB and/or Outgoing Products (CPO/PK) (Doc. Ref. No.: SC/MHP-01/2023-LDPOM; Doc. Date: 01/11/2023). This procedure is guided by the section 4.5 of main procedure entitled Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023).</p>	
3.8.8	<p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for</p>	<p>Section 6 of Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023) states that Lahad Datu POM shall ensure minimum information for RSPO certified products is made available in the sales documents as required in this indicator.</p> <p>As this is the initial certification, Lahad Datu POM has not received RSPO-certified FFB, and there have been no sales of RSPO-certified CPO and PK</p>	Complied

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	<p>example, delivery notes, shipping documents and specification documentation):</p> <p>a) The name and address of the buyer;</p> <p>b) The name and address of the seller;</p> <p>c) The loading or shipment / delivery date;</p> <p>d) The date on which the documents were issued;</p> <p>e) RSPO certificate number;</p> <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations);</p> <p>g) The quantity of the products delivered;</p> <p>h) Any related transport documentation;</p> <p>i) A unique identification number.</p>	<p>as to the date of audit. This was verified through daily FFB production records, weighbridge tickets for FFB received and outgoing CPO and PK, Mass Balance Worksheet entitled 'Sustainable CPO Mass Balance – Quarterly (FY24/25)' and 'Sustainable PK Mass Balance – Quarterly (FY24/25)' from October 2023 until August 2024, and records of FFB receipts and outgoing CPO and PK in the Lintramax Mill Director system. During the audit, samples of non-certified sales documents (e.g., weighbridge tickets and sales contract) were reviewed and found to contain the required information.</p> <p>Example of CPO delivery:</p> <table><tr><th>No.</th><th>Description</th><th>Detail</th></tr><tr><td rowspan="2">a)</td><td>Seller</td><td>Lahad Datu Palm Oil Mill KM 48, Off Road Lahad Datu – Sandakan Highway, 90200 Kinabatangan, Sabah, Malaysia.</td></tr><tr><td>Buyer</td><td>Lahad Datu Edible Oils Sdn Bhd KM 2, Locked Bag No 16, 91100 Lahad Datu, Sabah, Malaysia.</td></tr><tr><td>b)</td><td>Product & Supply Chain model</td><td>Crude Palm Oil (Sold as conventional)</td></tr><tr><td>c)</td><td>Quantity (Kg)</td><td>35,380 Kg</td></tr><tr><td>d)</td><td>Delivery Date</td><td>29/08/2024</td></tr><tr><td rowspan="3">e)</td><td>Transporter</td><td>Pengangkutan Dagang Tera Sdn Bhd</td></tr><tr><td>Vehicle Code No.</td><td>SS2828H</td></tr><tr><td>Ticket No.</td><td>CPO24000065W</td></tr></table>	No.	Description	Detail	a)	Seller	Lahad Datu Palm Oil Mill KM 48, Off Road Lahad Datu – Sandakan Highway, 90200 Kinabatangan, Sabah, Malaysia.	Buyer	Lahad Datu Edible Oils Sdn Bhd KM 2, Locked Bag No 16, 91100 Lahad Datu, Sabah, Malaysia.	b)	Product & Supply Chain model	Crude Palm Oil (Sold as conventional)	c)	Quantity (Kg)	35,380 Kg	d)	Delivery Date	29/08/2024	e)	Transporter	Pengangkutan Dagang Tera Sdn Bhd	Vehicle Code No.	SS2828H	Ticket No.	CPO24000065W	
No.	Description	Detail																									
a)	Seller	Lahad Datu Palm Oil Mill KM 48, Off Road Lahad Datu – Sandakan Highway, 90200 Kinabatangan, Sabah, Malaysia.																									
	Buyer	Lahad Datu Edible Oils Sdn Bhd KM 2, Locked Bag No 16, 91100 Lahad Datu, Sabah, Malaysia.																									
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d)	Delivery Date	29/08/2024																									
e)	Transporter	Pengangkutan Dagang Tera Sdn Bhd																									
	Vehicle Code No.	SS2828H																									
	Ticket No.	CPO24000065W																									

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			DO Number	LDM/A0011/08/24	
		f)	RSPO Certificate No.	Not applicable. Sold as conventional.	
		Example of PK delivery:			
		No.	Description	Detail	
		a)	Seller	Lahad Datu Palm Oil Mill KM 48, Off Road Lahad Datu – Sandakan Highway, 90200 Kinabatangan, Sabah, Malaysia.	
			Buyer	Lahad Datu Edible Oils Sdn Bhd KM 2, Locked Bag No 16, 91100 Lahad Datu, Sabah, Malaysia.	
		b)	Product & Supply Chain model	Palm Kernel (Sold as conventional)	
		c)	Quantity (Kg)	28,590 Kg	
		d)	Delivery Date	29/08/2024	
		e)	Transporter	Pengangkutan Dagang Tera Sdn Bhd	
			Vehicle Code No.	DDF8168	
			Ticket No.	PK24000011W	
			DO Number	LDM/0011/08/24	
		f)	RSPO Certificate No.	Not applicable. Sold as conventional.	

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3.8.9	<p>Outsourcing Activities</p> <p>i) The mill shall not outsource its milling activities. In cases where the mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification</p> <p>ii) The mill shall ensure the following:</p> <p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill 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 all information, when this is announced in advance.</p>	<p>No FFB and/or oil palm products processing outsource by Lahad Datu POM except for CPO and PK delivery transportation only. The mill adapted company's procedure for outsourced activities entitled Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023). Under section 9.1 of the procedure, outlined that mill cannot outsource processing activities such as refining or crushing.</p> <p>Lahad Datu POM has appointed Pengangkutan Dagang Tera Sdn Bhd for transporting of Crude Palm Oil (CPO) and Palm Kernel (PK). Contract agreement between Lahad Datu POM and Pengangkutan Dagang Tera Sdn Bhd is signed by both parties on 01/09/2023 for transporting Crude Palm Oil and Palm Kernel. The terms stated that the agreement shall commence on the 01/09/2023 and continue for a period of two (2) years. Review the contract agreement found, the company has legal ownership of all input materials during the outsourced activities.</p> <p>Furthermore, the requirement for the transport contractors shall at all times reserve the right of the CB to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary was stated in Section 9.6 and 9.3 of contract agreement for CPO and PK, respectively.</p> <p>Management of the outsourcing activities was based on the procedure entitled Transport Ordering (Doc. Ref. No.: SC/TO-01/2023-LDPOM; Doc. Date: 01/11/2023) and Standard Operating Procedure – CPO & PK Despatch (Doc. Ref. No.: CCP/04-01/2023-LDPOM; Doc Date: 01/11/2023). The procedures were communicated during a training session with the contractors on 15/05/2024.</p>	Complied
3.8.10	<p>The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.</p>	<p>Reflecting to the above indicator, the name and contact details of the transporter is recorded in mill's list of stakeholders and to be updated whenever necessary. Currently only one contractor engaged by the mill for CPO and PK transporter.</p>	Complied

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3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	Based on interview with the mill personnel, it was confirmed that the unit of certification understand their role to notify CB of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products prior to the next audit. This also has been mentioned in Section 9.5 of Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023).	Complied
3.8.12	<p>Record keeping</p> <p>i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.</p> <p>ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</p> <p>iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p>iv) For Mass Balance Module, the mill:</p> <p>a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</p> <p>b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock).</p>	<p>i. The mill did maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of RSPO Supply Chain Certification Standard requirements. Example of available records and reports are as follows:</p> <ul style="list-style-type: none"> - Mass balance worksheet - FFB dispatch documents from supplying estates - Daily Production Report in the Lintramax Mill Director system - CPO and PK Transportation documents - Training records - Internal audit report. <p>ii. Retention times for all records and reports related to RSPO SCCS are maintained for a minimum of seven (7) years and in compliance with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. This is explained in Section 5 of Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023).</p> <p>iii. Not applicable as the Lahad POM is decided to implement Mass Balance Module in the production process.</p> <p>iv. The POM has recorded all receipts of FFB and deliveries of CPO and PK. For mass balance module, it was found that the Mass Balance Worksheet entitled 'Sustainable CPO Mass Balance – Quarterly (FY24/25)' and</p>	Complied

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		'Sustainable PK Mass Balance – Quarterly (FY24/25)' clearly segregate the certified and non-certified of FFB Receiving, FFB processed, CPO/PK Production, CPO/PK delivery and CPO/PK balance. Section 5.3, 5.4 and 5.5 of Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023) has explained the guidance for this indicator. Since this is initial certification, the implementation will be further reviewed in ASA 1 after the mill receives its certificate.	
3.8.13	Extraction Rate The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.	Lahad Datu POM has determined the extraction rate for CPO and PK to be produced. Based on the current year annual budget, the CPO and PK extraction rate were recorded at 20.50 % and 5.00%. The extraction rate for production projections will be update annually based on the actual production of CPO and PK.	Complied
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	The facility uses the actual extraction rate, so updating the rates is not necessary. However, when forecasting future production, the OER and KER are estimated based on experience and performance and are included in the annual budget. Since the mill was commissioned in October 2024, the estimation of OER and KER mentioned in Table 10 is based on the annual budget.	Complied
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.	Not applicable. The Lahad Datu POM is implementing Mass Balance module.	Not Applicable
3.8.16	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold	Lahad Datu POM has been registered in RSPO IT Platform PalmTrace which information as follows: <ul style="list-style-type: none"> PalmTrace Member ID: RSPO_PO1000005713 	Complied

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	<p>as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p> <p>ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.</p>	<ul style="list-style-type: none"> • Member Category: Oil Mill • Supply Chain Model: Mass Balance • Commodity: Palm Oil • PalmTrace Account ID: RSPO_AC1000005608 <p>The parent company, JC Chang Group, has been a member of RSPO since 10/05/2006 with membership no.: 2-0029-06-000-00.</p> <p>As this is Initial Assessment, no Shipping Announcement and Remove has been registered in the RSPO PalmTrace by the management. The shipping announcement of product and removing product will be verified at ASA 1 after mill receive certificate. According to interviews with the mill management and internal control team, the mill has assigned personnel who will handle registration and reporting for any RSPO transaction in future with details of Mass Balance and shipping details.</p>	
3.8.17	<p>Claims</p> <p>The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	<p>Section 8 of Standard Operating Procedure for SCC Standard Mass Balance Calculation (Doc. Ref. No.: SC/MBC-01/2023-LDPOM; Doc. Date: 01/11/2023) has specified the POM's manual on the RSPO claim and the use of trademark. Interview with management representative who is responsible for RSPO Supply Chain revealed the good understanding on the use between RSPO Corporate logo and RSPO trademark in the product. The information about claim of certified palm oil product will be verified on ASA 1 after the mill receive certificate.</p>	Complied
General corporate communications			
4.1	<p>A corporate communication is one made by any RSPO member that highlights its RSPO membership and/or its commitment to the objectives and principles of RSPO. Corporate communication is a "non-product related" claim.</p>	<p>In the Carotino / JC Chang Group website, http://www.carotino.com/sustainability-102.aspx has confirmed that the communication made did not explicitly highlight its RSPO membership but had communicated its commitments towards production of sustainable</p>	Complied

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		palm oil. The communication did not imply any such that being an RSPO member means had certified to RSPO related certifications.	
4.2	In corporate communications, a member is allowed to: A. display its RSPO membership status B. display the RSPO web address (www.rspo.org) C. state that the member supports the work of RSPO D. state the member's history with regard to RSPO E. use the RSPO Trademark (as shown below) with a valid trademark licence number to promote its RSPO membership	In the Carotino / JC Chang Group website, http://www.carotino.com/sustainability-102.aspx has confirmed that the communication made did not explicitly highlight its RSPO membership but had communicated its commitments towards production of sustainable palm oil. The website had not displayed the RSPO website and had not display any RSPO Trademark.	Complied
4.3	Members are not allowed to use the RSPO corporate logo as shown below. This is for the sole use of the RSPO Secretariat.	No RSPO corporate logo used by Carotino / JC Chang Group.	Complied
4.4	In corporate communications, RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO certified palm oil products.	No misleading statement made by the company as verified on the website	Complied
4.5	Additionally, RSPO certified members are allowed to make statements that highlight their RSPO certification status and product-related claims in their corporate communication tools. Some permitted examples include: • "We have been sourcing RSPO certified palm oil since (YEAR)." • "We have used (X) tonnes of RSPO certified palm oil for our products manufactured in the last year." • "We have been RSPO certified since (YEAR)." • "We have (X NUMBER OF PRODUCTS) produced using RSPO certified MB/SG palm oil." • "In (YEAR), our company sourced (X%) of palm oil derivative volumes that was used across our products manufactured as MB certified."	No misleading statement made by the company as verified on the website	Complied

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	<ul style="list-style-type: none"> • "Our company covered (X%) of palm oil derivative volumes used across all our products manufactured in (YEAR) with smallholder credits." • "We are RSPO certified. Ask us for our RSPO certified products." 		
4.6	<p>RSPO non-certified members are allowed to make product-related claims in their corporate communication tools by doing the following:</p> <p>A. Use the RSPO Trademark with a valid trademark licence number to promote its membership of RSPO. It is sufficient for non-certified members to indicate this only once in their communication.</p> <p>B. Claim statements are limited to the following examples:</p> <p>i. "The rate of RSPO-certified palm oil procurement was (X%). We aim to achieve (X%) sustainable procurement by fiscal year (YEAR)."</p> <p>ii. X% of palm oil sourced by our organisation are certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book and Claim.</p> <p>C. In cases wherein an organisation/member would like to indicate their commitment to sourcing RSPO certified volumes, the statement shall be accompanied with a disclaimer: "This reported figure is not audited through RSPO Certification".</p>	The parent company, JC Chang Group, has been a member of RSPO since 10/05/2006 with membership no.: 2-0029-06-000-00.	Not Applicable
Product-specific communications			
5.1 General			
5.1.1	Product-specific communications refer to any public statement about an individual product that contains RSPO certified sustainable palm oil. These product-specific communications can be made on pack and/or off pack such as shipping documents,	No product specific communications made about an individual product that contains RSPO certified sustainable palm oil made by Carotino / JC Chang Group.	Complied

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	advertisements, flyers, brochures, posters, displays, newsletters, websites, emails, letters, offerings, invoices, (annual) reports, or media interviews.		
5.1.2	Product-specific communications are voluntary.	No product specific communications made about an individual product that contains RSPO certified sustainable palm oil made by Carotino / JC Chang Group.	Complied
5.1.3	Wherever the RSPO Label is displayed for product-specific communications, the applicable trademark licence number must be shown immediately under or next to the RSPO Label or the statement itself.	No RSPO label displayed for product-specific communications made by Lahad Datu POM	Complied
5.1.4	Use of any other trademark or label to highlight the presence of RSPO certified sustainable palm oil products is an unauthorised product-specific communication.	No RSPO label displayed for product-specific communications made by Lahad Datu POM	Complied
5.1.5	<p>If any organisation, which does not further modify end products or does not need to undergo Supply Chain Certification such as retailers, traders or distributors, enters into any agreement whereby the RSPO certified supplier labels products with the retailers/traders/distributors RSPO Trademark licence number, the following conditions shall be met as shown below</p> <ul style="list-style-type: none"> • RSPO members should be registered on the RSPO IT Platform and complete the information under 'description of products' field. • Both parties shall inform their certification body in writing about the agreement. • The RSPO certified supplier is responsible for ensuring that the buyer's RSPO Trademark licence number is used only on products that are supplied to that buyer. 	Not applicable. Lahad Datu POM is not under retailers, traders or distributors category.	Not Applicable
5.1.6	Organisations that do not further modify end products or that do not need to undergo Supply Chain Certification such as retailers, traders, or distributors who intend to use the RSPO Label with their	Not applicable. Lahad Datu POM is not under retailers, traders or distributors category.	Not Applicable

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	own RSPO Trademark licence number in any of their product-specific communications, can do so by undergoing a remote audit. A remote audit shall be conducted by an RSPO-accredited certification body (CB) prior to the use of the RSPO Label whereby the organisation will need to demonstrate that the use is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain		
5.2 Off pack claims			
5.2.1	Off pack claims are product-specific communications regarding the certified sustainable palm oil contained within the product(s) made on any communication materials such as shipping documents, advertisements, flyers, brochures, posters, displays, newsletters, websites, emails, letters, offerings, invoices, (annual) reports, or media interviews. The RSPO Label should be used together with the valid trademark licence number wherever an off pack claim is made.	No off-pack claim made in any product-specific communications regarding the certified sustainable palm oil contained within the product(s) made on any communication materials such as shipping documents, advertisements, flyers, brochures, posters, displays, newsletters, websites, emails, letters, offerings, invoices, (annual) reports, or media interviews.	Complied
5.2.2	When confirming the sale of certified palm oil products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	If there is any physical RSPO claim, Shipping documentation will be verified and conformance with the requirements of RSPO SCCS. In the weighbridge ticket, it stated that i.e. product/commodity with SCC model (CPO/Palm Kernel RSPO MB) and RSPO certificate number.	Complied
5.2.3	Where a distributor or wholesaler takes title to products containing certified sustainable palm oil products, the requirements of the RSPO SCCS can follow either one of these two options: <ul style="list-style-type: none"> • If the distributor or wholesaler holds only a distributor licence, it may only communicate RSPO certified palm oil products by linking the product to the manufacturer using the manufacturer's SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products, it is essential that customers are aware that the products have been 	Lahad Datu POM is not under distributor or wholesaler category. Thus, this requirement is not applicable.	Not Applicable

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	made on behalf of the distributor or wholesaler, with specific evidence either through on pack claims or documentation. <ul style="list-style-type: none"> • If the distributor or wholesaler is supply chain certified, they should follow the requirements outlined in section 5.2.2. 		
5.3 On pack claims			
5.3.1	Only RSPO members who have supply chain certification and members who have undergone remote audit as per 5.1.6 are allowed to make on pack claims about the certified sustainable palm oil contained within the product(s) as per Module A, B, C and E. RSPO members who have purchased RSPO Credits are entitled to claim their support for the production of certified sustainable palm oil as per Module D.	Not applicable as no on pack claims made by Lahad Datu POM	Not Applicable
5.3.2	In case of limited space, RSPO allows flexibility to use a one-line arrangement claim together with a valid trademark licence number for on pack communications as below without having to use any RSPO Label. The licence number has to measure at least 4pt (1.4mm) in size and the font must be Calibri. The following options shall be considered: A) For Identity Preserved (IP)/ Segregated (SG) Certified Products: <ul style="list-style-type: none"> • RSPO IP/SG CERTIFIED* • Contains RSPO IP/SG palm oil* • Contains RSPO certified palm oil (IP/SG)* *Add RSPO TM Licence Number below or next to the claim.	Not applicable as no on pack claims made by Lahad Datu POM	Not Applicable
	B) or Mass Balance (MB) Certified Products: <ul style="list-style-type: none"> • RSPO MIXED* • Contributes to the production of RSPO certified palm oil* • Contains RSPO certified palm oil (MB)* *Add RSPO TM Licence Number below or next to the claim.	Not applicable as no on pack claims made by Lahad Datu POM	Not Applicable

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	C) For Partially Certified Products: <ul style="list-style-type: none"> • RSPO 50% MIXED* • Contains at least 50% RSPO certified palm oil* *Add RSPO TM Licence Number below or next to the claim.	Not applicable as no on pack claims made by Lahad Datu POM	Not Applicable
	D) For Products covered with Book and Claim (B&C): <ul style="list-style-type: none"> • RSPO CREDITS* • Supports the production of RSPO certified palm oil* • Contains palm oil covered by the purchase of RSPO Credits* *Add RSPO TM Licence Number below or next to the claim.	Not applicable as no on pack claims made by Lahad Datu POM	Not Applicable
5.3.3	On pack claims shall not include information about the claimant's RSPO membership status.	Not applicable as no on pack claims made by Lahad Datu POM	Not Applicable
5.3.4	Members shall not communicate to consumers information about their suppliers' RSPO membership status.	Not applicable as no on pack claims made by Lahad Datu POM	Not Applicable
5.3.5	Use of the RSPO Label is restricted to claims about RSPO certified sustainable palm oil contained in products and is not authorised for use in relation to any other ingredient.	Not applicable as no on pack claims made by Lahad Datu POM	Not Applicable
5.3.6	All members making on pack claims are encouraged to submit the information and images of their end products that carry the RSPO Label via the MyRSPO portal.	Not applicable as no on pack claims made by Lahad Datu POM	Not Applicable
MODULE B – MASS BALANCE SPECIFIC RULES			
Mass Balance palm oil content			
	95% of the palm oil content must be RSPO MB-certified.	Oil palm content is 100% CPO and claim as RSPO MB-certified	Complied
	If 100% of RSPO MB certified palm oil content cannot be sourced, a maximum of 5% volume from other non-certified sources is allowed and the reason for this must be fully justified. The volume	Non-certified FFB comes from external crop and since Lahad Datu POM is using Mass Balance module, the non-certified volume is covered in the Mass Balance sheet.	Complied

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	of the non-certified palm oil content shall be covered by the purchase of RSPO Credits of equivalent volume.		
Messaging			
	<p>Messaging ALLOWED in storytelling in product-specific communications includes:</p> <ul style="list-style-type: none"> • [Palm oil products]/[palm oil]/[palm kernel oil] from RSPO certified mills and plantations were mixed with non-certified palm oil products in the supply chain. • The volume of [palm oil products]/[palm oil]/[palm kernel oil] in this product reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO certified mills and plantations. 	Lahad Datu POM has not made any product-specific communications in any RSPO MB product claims.	Complied
Product-Specific Communications Labelling			
	<p>Members are allowed to use the RSPO Label in one of the following ways:</p> <ul style="list-style-type: none"> • The RSPO Label MUST contain the tag "MIXED". The tag "MIXED" designates palm oil products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs of certain palm oil volumes. The tag "MIXED" on a product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim. • The RSPO Label can also include the statement: "[The palm oil contained in this product] contributes to the production of certified sustainable palm oil". 	Lahad Datu POM has not made any product-specific communications in any RSPO MB product claims.	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.			

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4.1.1.1	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>J. C. Chang Holding Sdn Bhd has released Social & Human Rights Policy, Date: 14/11/2019. Stated in the policy that the management is committed to:</p> <ul style="list-style-type: none">• Respect the rights to associate and free to join union.• Respect the rights to live with life free of discrimination.• Respect the rights to freely exercise of religion and practice belief• Respect the rights to be free from prejudice on the basis of race, gender, national origin, color or age.• Respect and protect the reproductive rights. <p>It was also noted that in their "SOP on Mechanism for Complaints and Grievances," dated 30/08/2024, with document reference number E-001-08/2024, emphasizes that the management is responsible for ensuring the confidentiality of complainants, human rights defenders, community spokespersons, and whistleblowers. The policy dictates that their identities should not be disclosed unless it is legally impossible to maintain confidentiality.</p> <p>Details of communication to internal and external stakeholders was tabulated as below:</p> <table><tr><th colspan="3">Lahad Datu POM</th></tr><tr><th>Audience</th><th>Event</th><th>Date</th></tr><tr><td>Internal Employee</td><td>Morning Muster</td><td>19/08/2024</td></tr><tr><td>FFB Supplier/Outgrower</td><td>FFB Supplier Meeting</td><td>02/02/2024</td></tr><tr><td>External Stakeholder</td><td>Stakeholder Meeting</td><td>20/06/2024</td></tr><tr><th colspan="3">Hwa Li 2</th></tr><tr><td>Internal Workers</td><td>Policy Awareness Briefing</td><td>25/01/2024</td></tr></table>	Lahad Datu POM			Audience	Event	Date	Internal Employee	Morning Muster	19/08/2024	FFB Supplier/Outgrower	FFB Supplier Meeting	02/02/2024	External Stakeholder	Stakeholder Meeting	20/06/2024	Hwa Li 2			Internal Workers	Policy Awareness Briefing	25/01/2024	Complied
Lahad Datu POM																								
Audience	Event	Date																						
Internal Employee	Morning Muster	19/08/2024																						
FFB Supplier/Outgrower	FFB Supplier Meeting	02/02/2024																						
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Hwa Li 2																								
Internal Workers	Policy Awareness Briefing	25/01/2024																						

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		External Stakeholder	Stakeholder Meeting	20/06/2024	
4.1.2	The unit of certification does not instigate violence or use any form of harassment in their operations. - Minor compliance -	J. C. Chang Holdings Sdn Bhd strictly prohibits any form of harassment within their operations, as outlined in the Social & Human Rights Policy. Worker interviews have affirmed that there is no evidence of harassment by the management			Complied
Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties					
4.2.1	(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD. - Critical (Major) compliance -	The system was based on SOP Mechanism for Complaints and Grievances, Doc. Ref. No E/001-8/2024; Doc. date, 30/08/2024 which found effective, timely, appropriate, and open to any affected parties. The complaint and grievances are open to affected parties including internal and external stakeholders. It was mentioned that the management shall not unlawfully retaliate against any employee or other stakeholders for bringing a grievance under the mechanism while identity of complainants, human right defender, community spokespersons and whistle-blowers would not be revealed unless it is legally impossible to do so or with his/her consent and permission. In addition, the complainants, human right defender, community spokespersons and whistle-blowers will be treated fairly and given whatever protection is possible, without risk of reprisal or intimidation.			Complied
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 system was based on SOP Mechanism for Complaints and Grievances, Doc. Ref. No E/001-8/2024; Doc. date, 30/08/2024 which found effective, timely, appropriate, and open to any affected parties. The complaint and grievances are open to affected parties including internal and external stakeholders. Details of communication to internal and external stakeholders was tabulated as below: <div>Lahad Datu POM</div>			Complied

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		<table><tr><th>Audience</th><th>Event</th><th>Date</th></tr><tr><td>Internal Employee</td><td>Morning Muster</td><td>19/08/2024</td></tr><tr><td>FFB Supplier/Outgrower</td><td>FFB Supplier Meeting</td><td>02/02/2024</td></tr><tr><td>External Stakeholder</td><td>Stakeholder Meeting</td><td>20/06/2024</td></tr><tr><td colspan="3">Hwa Li 2</td></tr><tr><td>Internal Workers</td><td>Policy Awareness Briefing</td><td>25/01/2024</td></tr><tr><td>External Stakeholder</td><td>Stakeholder Meeting</td><td>20/06/2024</td></tr></table> <p>During interview session with sample of workers, it was noted that the workers were well aware on the complaints and grievances procedure implemented. Additionally, the procedures also publicly available on office and housing area information board.</p>	Audience	Event	Date	Internal Employee	Morning Muster	19/08/2024	FFB Supplier/Outgrower	FFB Supplier Meeting	02/02/2024	External Stakeholder	Stakeholder Meeting	20/06/2024	Hwa Li 2			Internal Workers	Policy Awareness Briefing	25/01/2024	External Stakeholder	Stakeholder Meeting	20/06/2024	
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Hwa Li 2																								
Internal Workers	Policy Awareness Briefing	25/01/2024																						
External Stakeholder	Stakeholder Meeting	20/06/2024																						
4.2.3	<p>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.</p> <p>- Minor compliance -</p>	<p>As per SOP Mechanism for Complaints and Grievances; Doc. Ref. No.: E/001-8/2024; Doc. date, 30/08/2024 complaints were recorded via meet up session such as external stakeholder consultation, and FFB supplier meeting, Complaints records and box, Joint Consultative Committee (JCC) and Gender Group Consultation.</p> <p>As per document review and interview session with sample workers, complaints recorded in JCC meeting and Gender Committee were informed of the progress and updated regularly in their scheduled meeting.</p> <p>Upon verification, it was determined that the predominant issue raised in the complaints pertains to damage at workers' housing. The investigation reveals compelling evidence that each complaint receives an immediate and appropriate response. This confirmation is based on interviews with workers and review of the complaint records.</p>	Complied																					
4.2.4	<p>The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants</p>	<p>Refer to SOP Mechanism for Complaints and Grievances; Doc. Ref. No.: E/001-8/2024; Doc. date, 30/08/2024, Clause 14 where complainants</p>	Complied																					

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	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 -	provided with option to go for independent arbitration which includes option to 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.	
Criterion 4.3: The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance -	<p>J. C. Chang Holdings Sdn Bhd is dedicated to serving the communities in which it operates by providing philanthropic support, primarily focusing on the education of the underprivileged and less fortunate, as well as contributing to various social causes. Summary list of contribution and donations sighted and details as per below.</p> <ul style="list-style-type: none"> Financial assistance for the employee who experienced a family loss, dated 08/05/2024. Financial assistance to SMK Paris to repair their student's resting hut, dated 31/08/2023. Financial aid for Kinabatangan District Office for Eidul Fitri Celebration and Kaamatan Festival, dated 11/05/2024. 	Complied
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.			
4.4.1	(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available. - Critical (Major) compliance -	<p>Documents showing legal ownership available for Lahad Datu POM that located within Hwa Li 2 compound with total hectarage of 2000.00. Title No. Country Lease 095327218, with Memo No. MC2203090014, with transfer made from previous management at 24/03/2022. Within District of Kinabatangan, Locality under Tenegang-Koyah with Ref. No. LA97090156 and L.S.901.1.2745.</p> <p>In Hwa Li 2, Gomantong Division, there is evidence of ownership with title No. Country Lease 095327218, total hectare of 1007.26. Memo Evidence No. is MC2205090003, and transfer made from previous management is on 05/05/2022.</p>	Complied

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		Verified and sighted Sale and Purchase (S&P) Agreement between Sharikat Keratong Sdn Bhd (subsidiary of J. C. Chang Holdings Sdn Bhd) with previous management, dated 06/07/2021. Both parties, Vendor and Purchaser has signed the S&P agreement accordingly.	
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	There are no incidences of land disputes in estate and mill despite transition of new management in 2023. This was affirmed through the examination of land titles, stakeholder consultation session and boundary area visits.	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 -	There are no incidences of land disputes in estate and mill despite transition of new management in 2023. This was affirmed through the examination of land titles, stakeholder consultation session and boundary area visits.	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 -	There are no incidences of land disputes in estate and mill despite transition of new management in 2023. This was affirmed through the examination of land titles, stakeholder consultation session and boundary area visits.	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 are no incidences of land disputes in estate and mill despite transition of new management in 2023. This was affirmed through the examination of land titles, stakeholder consultation session and boundary area visits.	Complied
4.4.3	(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).	There are no incidences of land disputes in estate and mill despite transition of new management in 2023. This was affirmed through the examination of land titles, stakeholder consultation session and boundary area visits.	Complied

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	- Critical (Major) compliance -	Document review on estates' maps verified appropriate scale showing the extent of recognised legal and user rights are available	
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	There are no incidences of land disputes in estate and mill despite transition of new management in 2023. This was affirmed through the examination of land titles, stakeholder consultation session and boundary area visits.	Complied
4.4.5	(C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose. - Critical (Major) compliance -	There are no incidences of land disputes in estate and mill despite transition of new management in 2023. This was affirmed through the examination of land titles, stakeholder consultation session and boundary area visits.	Complied
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance -	There are no incidences of land disputes in estate and mill despite transition of new management in 2023. This was affirmed through the examination of land titles, stakeholder consultation session and boundary area visits.	Complied
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.			
4.5.1	(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available. - Critical (Major) compliance -	Documents showing legal ownership available for Lahad Datu POM that located within Hwa Li 2 with total hectareage of 2000.00. Title No. Country Lease 095327218, with Memo No. MC2203090014, with transfer made from previous management at 24/03/2022. Within District of Kinabatangan, Locality under Tenegang-Koyah with Ref. No. LA97090156 and L.S.901.1.2745. In Hwa Li 2, Gomantong Division, there is evidence of ownership with title No. Country Lease 095327218, total hectare of 1007.26. Memo Evidence No. is MC2205090003, and transfer made from previous management is on 05/05/2022. Verified and sighted Sale and Purchase (S&P) Agreement between Sharikat Keratong Sdn Bhd (subsidiary of J. C. Chang Holdings Sdn Bhd) with	Complied

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		previous management, dated 06/07/2021. Both parties Vendor and Purchaser has signed the S&P agreement accordingly.	
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>- Critical (Major) compliance -</p>	There is no new planting has been conducted based on site visit, observation and interview session with external stakeholders. Prior to document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is no land dispute within the estate, despite newly acquired by J. C. Chang Holdings Sdn Bhd, as confirmed by the S&P Agreement dated 06/07/2021	Complied
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>	There is no new planting has been conducted based on site visit, observation and interview session with external stakeholders. Prior to document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is no land dispute within the estate, despite newly acquired by J. C. Chang Holdings Sdn Bhd, as confirmed by the S&P Agreement dated 06/07/2021	Complied
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>	There is no new planting has been conducted based on site visit, observation and interview session with external stakeholders. Prior to document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is no land dispute within the estate, despite newly acquired by J. C. Chang Holdings Sdn Bhd, as confirmed by the S&P Agreement dated 06/07/2021	Complied
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 project proponent, concerning the legal,</p>	There is no new planting has been conducted based on site visit, observation and interview session with external stakeholders. Prior to document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is	Complied

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	economic, environmental and social implications of the proposed operations on their lands. - Minor compliance -	no land dispute within the estate, despite newly acquired by J. C. Chang Holdings Sdn Bhd, as confirmed by the S&P Agreement dated 06/07/2021	
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 -	There is no new planting has been conducted based on site visit, observation and interview session with external stakeholders. Prior to document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is no land dispute within the estate, despite newly acquired by J. C. Chang Holdings Sdn Bhd, as confirmed by the S&P Agreement dated 06/07/2021	Complied
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 -	There is no new planting has been conducted based on site visit, observation and interview session with external stakeholders. Prior to document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is no land dispute within the estate, despite newly acquired by J. C. Chang Holdings Sdn Bhd, as confirmed by the S&P Agreement dated 06/07/2021	Complied
4.5.8	(C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance -	There is no new planting has been conducted based on site visit, observation and interview session with external stakeholders. Prior to document reviews of the land titles and interviews with stakeholders, which indicated that no land disputes have been reported. Additionally, there is no land dispute within the estate, despite newly acquired by J. C. Chang Holdings Sdn Bhd, as confirmed by the S&P Agreement dated 06/07/2021	Complied
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. - Critical (Major) compliance -	There are no case regards to any compensation for loss of legal and customary rights as confirmed by documents review, stakeholder consultation and site visits. However, sighted J. C. Chang Holdings Sdn Bhd provided Guideline for Identifying Legal and Customary Rights and	Complied

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		Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 as guidance. The guidelines emphasize on SOP for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation that been documented in the in case of land dispute issue.	
4.6.2	<p>(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p> <p>- Critical (Major) compliance -</p>	There are no case regards to any compensation for loss of legal and customary rights as confirmed by documents review, stakeholder consultation and site visits. However, sighted J. C. Chang Holdings Sdn Bhd provided Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 as guidance. The guidelines emphasize on SOP for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation that been documented in the in case of land dispute issue.	Complied
4.6.3	<p>Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings.</p> <p>- Minor compliance -</p>	There are no case regards to any compensation for loss of legal and customary rights as confirmed by documents review, stakeholder consultation and site visits. However, sighted J. C. Chang Holdings Sdn Bhd provided Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 as guidance. The guidelines emphasize on SOP for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation that been documented in the in case of land dispute issue.	Complied
4.6.4	<p>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.</p> <p>- Minor compliance -</p>	There are no case regards to any compensation for loss of legal and customary rights as confirmed by documents review, stakeholder consultation and site visits. However, sighted J. C. Chang Holdings Sdn Bhd provided Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 as guidance. The guidelines emphasize on SOP for identifying legal, customary or user rights, and a	Complied

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		procedure for identifying people entitled to compensation that been documented in the in case of land dispute issue.	
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. - Critical (Major) compliance -	There are no case regards to any compensation for loss of legal and customary rights as confirmed by documents review, stakeholder consultation and site visits. However, sighted J. C. Chang Holdings Sdn Bhd provided Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 as guidance. The guidelines emphasize on SOP for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation that been documented in the in case of land dispute issue.	Complied
4.7.2	(C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance -	There are no case regards to any compensation for loss of legal and customary rights as confirmed by documents review, stakeholder consultation and site visits. However, sighted J. C. Chang Holdings Sdn Bhd provided Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 as guidance. The guidelines emphasize on SOP for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation that been documented in the in case of land dispute issue.	Complied
4.7.3	Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development. - Minor compliance -	There are no case regards to any compensation for loss of legal and customary rights as confirmed by documents review, stakeholder consultation and site visits. However, sighted J. C. Chang Holdings Sdn Bhd provided Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 as guidance. The guidelines emphasize on SOP for identifying legal, customary or user rights, and a	Complied

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		procedure for identifying people entitled to compensation that been documented in the in case of land dispute issue.	
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 -	Lahad Datu POM and estate implemented the company's Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 in case of land dispute issue occurs. There is no customary right land for both mill and estate. It has been confirmed through land title documents. Interview with neighbouring estates and local communities confirmed the statement. Therefore, the clause is not applicable.	Not Applicable
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. - Critical (Major) compliance -	Lahad Datu POM and estate implemented the company's Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 in case of land dispute issue occurs. There is no customary right land for both mill and estate. It has been confirmed through land title documents. Interview with neighbouring estates and local communities confirmed the statement. Therefore, the clause is not applicable.	Not Applicable
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 -	Lahad Datu POM and estate implemented the company's Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 in case of land dispute issue occurs. There is no customary right land for both mill and estate. It has been confirmed through land title documents. Interview with neighbouring estates and local communities confirmed the statement. Therefore, the clause is not applicable.	Not Applicable

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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 -	Lahad Datu POM and estate implemented the company's Guideline for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation Documents; Doc. Ref. # E/002-05/2019; Doc. Date: 12/8/2019 in case of land dispute issue occurs. There is no customary right land for both mill and estate. It has been confirmed through land title documents. Interview with neighbouring estates and local communities confirmed the statement. Therefore, the clause is not applicable.	Not Applicable
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 -	Lahad Datu POM displayed the current and previous period prices paid for FFB in front of the weighbridge counter on a whiteboard. FFB price is based on Daily Reference Price Summary by Region (mill gate) (RM/ 1% OER) are referred to for the current month price.	Complied
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). - Critical (Major) compliance -	Evidence available that the FFB pricing explained to smallholders through Fresh Fruit Bunches Sales and Purchase Agreement sampled below: i) Koperasi Penanam Sawit Mampan Paris Sabah Berhad, S&P dated 2/01/2024 effective from 4/01/2024 onwards (open ended contract) ii) Linddale Sdn Bhd, Berhad, S&P dated 2/01/2024 effective from 4/01/2024 onwards (open ended contract) iii) Lee Bee Eng, S&P dated 2/01/2024 effective from 4/01/2024 onwards (open ended contract) Latest briefing session was carried out on 2/02/2024 during latest smallholder support programme	Complied
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. - Critical (Major) compliance -	FFB pricing and calculation were included in the FFB Sales and Purchase Agreement which was based on the MPOB price as well as the FFB grading quality. Apart from being explained during the signing of the agreement, explanation to all FFB suppliers was also done through letters and emails which was last made on monthly basis.	Complied

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5.1.4	<p>(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.</p> <p>- Critical (Major) compliance -</p>	<p>Continuous Improvement Plan for Lahad Datu Palm Oil Mill FY 2023/2024; Social Impacts – Support Smallholder Program; Support programme to continuously engage smallholders on implementing good harvesting and FFB grading practice e.g. method and procedure of grading based on MPOB grading technique (penalties and FFB classification). The latest session was carried out on 2/02/2024.</p>	Complied
5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	<p>Contracts are fair, legal and transparent and have an agreed timeframe as per sample sighted for Lahad Datu POM FFB Sales and Purchase (S&P) Agreement between Syarikat Keratong Sdn. Bhd. (Buyer) and the following sampled smallholders:</p> <ul style="list-style-type: none"> i) Koperasi Penanam Sawit Mampan Paris Sabah Berhad, S&P dated 2/01/2024 effective from 4/01/2024 onwards (open ended contract) ii) Linddale Sdn Bhd, Berhad, S&P dated 2/01/2024 effective from 4/01/2024 onwards (open ended contract) iii) Lee Bee Eng, S&P dated 2/01/2024 effective from 4/01/2024 onwards (open ended contract) 	Complied
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>- Critical (Major) compliance -</p>	<p>The availability of purchase orders, invoices, payment vouchers, and the confirmation of stakeholders during the interview confirmed that agreed payments were made in a timely manner by Lahad Datu OM to the FFB suppliers, ensuring fair and prompt compensation for their services.</p> <p>Based on the agreements, full payment shall be made by Buyer to Seller for the whole month's deliveries not later than ten (10) working days after the official announcement of the MPOB Crude Palm Oil and Palm Kernel prices. Records shown all payments were made on time. E.g.:</p> <ul style="list-style-type: none"> i) Payment Advice reference no. A2ayRIBCMqq dated 9/08/2024 to Prestige Central Management Sdn Bhd. ii) Payment Advice reference no. A2844pEEIQ4f, dated 8/5/2024 to Sri Badas. 	Complied

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		iii) Payment Advice reference no. Az8uq7M6YUH, dated 8/5/2024 to Syarikat Borneo Mas Sdn Bhd	
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>Lahad Datu POM verified its weighing equipment as per mandatory requirements of Weights and Measures Act 1972 as per latest records of stamping by Metrology Corporation Malaysia Sdn. Bhd. as follow:</p> <p>i) Weighbridge stamping, serial no. 232050305, calibration cert. no.: S2-ATK-02980 model: Avery-J311, capacity: 60,000 kg, date of stamping: 23/10/2023</p> <p>ii) Weighbridge stamping, serial no. 228450877, calibration cert. no.: S2-ATK-02979 model: Avery-J311, capacity: 60,000 kg, date of stamping: 23/10/2023</p>	Complied
5.1.8	<p>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.</p> <p>- Minor compliance -</p>	<p>Carotino/JC Chang Group has established a programme entitled "Smallholder Support Program" [doc. no.: E/025-01/2019, dated 12/08/2019] to support any smallholders who has the interest in RSPO certification. Among the supports offered are:</p> <ul style="list-style-type: none"> - Best practices of cultivation to enhance productivity and quality of products - Information sharing related to sustainability - Sustainability certification (only for RSPO and MSPO) information - Promote legality of FFB production through consultation <p>The above programme was promoted by the certification through consultation (e.g. social media, meetings, etc.). Nonetheless, the smallholders have yet to show interest in RSPO certification.</p>	Complied
5.1.9	<p>(C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.</p> <p>- Critical (Major) compliance -</p>	<p>Lahad Datu POM established its own Complaint Grievance Procedure based on the company's documented SOP on Mechanisms for Communication and Consultation; Doc. Ref. # E/004-08/2019; Date: 12/08/2019. Nonetheless, no recorded complaint received from smallholders as to date.</p>	Complied

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Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	<p>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.</p> <p>- Minor compliance -</p>	<p>Carotino/JC Chang Group has established a programme entitled "Smallholder Support Program" [doc. no.: E/025-01/2019, dated 12/08/2019] to support any smallholders who has the interest in RSPO certification. Among the supports offered are:</p> <ul style="list-style-type: none">- Best practices of cultivation to enhance productivity and quality of products- Information sharing related to sustainability- Sustainability certification (only for RSPO and MSPO) information- Promote legality of FFB production through consultation <p>The above programme was promoted by the certification through consultation (e.g. social media, meetings, etc.). Nonetheless, the smallholders have yet to show interest in RSPO certification.</p>	Complied
5.2.2	<p>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).</p> <p>- Minor compliance -</p>	<p>Carotino/JC Chang Group has established a programme entitled "Smallholder Support Program" [doc. no.: E/025-01/2019, dated 12/08/2019] to support any smallholders who has the interest in RSPO certification. Among the supports offered are:</p> <ul style="list-style-type: none">- Best practices of cultivation to enhance productivity and quality of products- Information sharing related to sustainability- Sustainability certification (only for RSPO and MSPO) information- Promote legality of FFB production through consultation <p>The above programme was promoted by the certification through consultation (e.g. social media, meetings, etc.). Nonetheless, the smallholders have yet to show interest in RSPO certification.</p>	Complied

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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 -	Lahad Datu POM ensures that each FFB supplier has an MPOB License. Only MPOB, a government agency entrusted to serve the country's oil palm industry, are authorized to issue the license. Each license issued is stipulated in the Malaysian Palm Oil Board (Licensing) Regulations 2005 under the Malaysian Palm Oil Board Act 1998. This shows that every FFB received by the mill is in accordance with the law outlined by the Malaysian Government. In addition, the Malaysian Government also requires every FFB producer in the country to be certified with MSPO certification. Referring to Indicator 2.3.1 and Indicator 2.3.2, it was verified that most of the FFB suppliers for the Lahad Datu POM have been certified with MSPO certification, and some are in the process of being certified by certification bodies that the Standards Malaysian have accredited for MSPO standards.	Complied
5.2.4	(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Critical (Major) compliance -	Carotino/JC Chang Group has established a programme entitled "Smallholder Support Program" [doc. no.: E/025-01/2019, dated 12/08/2019] to support any smallholders who has the interest in RSPO certification. Among the supports offered are: <ul style="list-style-type: none">- Best practices of cultivation to enhance productivity and quality of products- Information sharing related to sustainability- Sustainability certification (only for RSPO and MSPO) information- Promote legality of FFB production through consultation The above programme was promoted by the certification through consultation (e.g. social media, meetings, etc.). Nonetheless, the smallholders have yet to show interest in RSPO certification.	Complied
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme.	Carotino/JC Chang Group has established a programme entitled "Smallholder Support Program" [doc. no.: E/025-01/2019, dated	Complied

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	- Minor compliance -	<p>12/08/2019] to support any smallholders who has the interest in RSPO certification. Among the supports offered are:</p> <ul style="list-style-type: none"> - Best practices of cultivation to enhance productivity and quality of products - Information sharing related to sustainability - Sustainability certification (only for RSPO and MSPO) information - Promote legality of FFB production through consultation <p>The above programme was promoted by the certification through consultation (e.g. social media, meetings, etc.). Nonetheless, the smallholders have yet to show interest in RSPO certification.</p>	
Principle 6: Respect workers' rights and conditions			
Criterion 6.1: Any form of discrimination is prohibited.			
6.1.1	<p>(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.</p> <p>- Critical (Major) compliance -</p>	Both Lahad Datu POM and Hwa Li 2 implemented the company's Equal Opportunity Policy; Date: 12/8/2019. Regular briefing also conducted to all employees as per sample sighted for Sustainability awareness – Company Policy (OSH, Social & Human Right, Equal Opportunity, Environmental, Corruption Prevention, Sexual Harassment, Reproductive Right; Date: 19/08/2024.	Complied
6.1.2	<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.</p> <p>- Critical (Major) compliance -</p>	<p>Both Lahad Datu POM and Hwa Li 2 implemented the company's Equal Opportunity Policy; Date: 12/8/2019.</p> <p>Interviewed with the workers comprises of different gender, period of services, and nationalities confirmed that no discrimination has reported. The management treated all equally such as provided free accommodation and medical to all the workers, no charging of recruitment fees for the foreign workers and offered job based on capability. The worker can</p>	Complied

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		request for job transfer if found that they are unfit for the job assigned to them.	
6.1.3	<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.</p> <p>- Minor compliance -</p>	<p>The procedures for recruitment, selection, hiring, promotion, retirement, and termination are outlined in the document titled "Guidelines on Procedure of Recruitment, Selection, Hiring, Promotion, Retirement, and Termination," dated 12/08/2019, with document reference number E020-01/2019. The document explains that promotion criteria are determined by the candidates' capability, qualifications, and performance in interviews.</p> <p>Prior to document review for local workers, it was identified that local workers filled up a job application form together with copies of NRIC, qualification and previous work experience, medical fitness and assessed their respective suitability to the job vacancies by managers. While for foreign workers, employment will be conducted by headquarter office with collaboration of foreign employment agencies.</p>	Complied
6.1.4	<p>Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>- Minor compliance -</p>	<p>Interviewed with samples of female employees who members in Gender Committee in mill and estate confirmed that pregnancy testing is not conducted prior to work. They still will be able to offer for work if they are pregnant. Pregnant female employees were provided time off for regular pregnancy check-up accordingly.</p>	Complied
6.1.5	<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>- Critical (Major) compliance -</p>	<p>Lahad Datu POM and Hwa Li 2 established Gender Committee to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>Verified at both mill and estate's committee members were elected among female staffs and employees. Meetings are to be conducted once every three (3) months or whenever necessary accordingly.</p> <p>Gender Committee meetings for each operating unit were conducted as shown in the table below. Based on the last three meetings, it was verified that the discussions primarily focused on create awareness on type of sexual harassment, channels for lodge related complaint if any case</p>	Complied

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		happened and new mother needs assessment criteria. The meeting was conducted on 12/06/2024 at Lahad Datu POM and 17/05/2024 at Hwa Li 2.			
6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	It was confirmed that both mill and estate were demonstrating equal pay for the same job roles. Workers across all units receive a base pay aligned with the minimum wages order of RM57.70 per day per person in 2024. While for piece-rate work, the documentation indicates fixed rates irrespective of gender and nationality but differ based on type and scope of job. Interview session with the workers confirmed the statement.	Complied		
Criterion 6.2: 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	(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. - Critical (Major) compliance -	A total of 36 samples across Lahad Datu POM and Hwa Li 2 have been identified according to gender, nationality, job scope, duration of employment and position hold in welfare committee and gender committee. Document review on sampled workers' employment agreement, sighted the document established stipulates with terms of conditions of service such position, period of employment, types of work, responsibilities of employer, responsibilities of employee, salary payable, working hours, annual leave, sick leave, mutual termination of contract, facilities, deductions, overtime, holiday entitlement, maternity leave, and period of notice. During interview session, all sample workers show excellent understanding regards to their contract agreement. They claimed that they were briefed annually and received a copy of their contract agreement for reference purpose. Sample of workers details and information reviewed as below: <table><tr><td>Lahad Datu POM (Employee ID)</td><td>Hwa Li 2 (Employee ID)</td></tr></table>	Lahad Datu POM (Employee ID)	Hwa Li 2 (Employee ID)	Complied
Lahad Datu POM (Employee ID)	Hwa Li 2 (Employee ID)				

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			<ol style="list-style-type: none"> 1. W049 2. W017 3. W056 4. W010 5. W055 6. W029 7. W019 8. W060 9. W059 10. W016 11. W072 12. W074 	<ol style="list-style-type: none"> 1. HW0062 2. HW0678 3. HW0213 4. HW0680 5. HW0104 6. HW0728 7. HW0677 8. HW0212 9. HW0106 10. HW0745 11. HW0561 12. HW0655 13. HW0726 14. HW0618 15. HW0742 16. HW0740 17. HW0041 18. HW0066 19. HW0068 20. HW0532 21. HW0528 22. HW0531 23. HW0134 24. HW0081 25. HW0021 		
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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 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>- Critical (Major) compliance -</p>	<p>A total of 36 samples across Lahad Datu POM and Hwa Li 2 have been identified according to gender, nationality, job scope, duration of employment and position hold in welfare committee and gender committee.</p> <p>Document review on sampled workers’ employment agreement, sighted the document established stipulates with terms of conditions of service such position, period of employment, types of work, responsibilities of employer, responsibilities of employee, salary payable, working hours, annual leave, sick leave, mutual termination of contract, facilities, deductions, overtime, holiday entitlement, maternity leave, and period of notice.</p> <p>Payroll documents were sampled for three months: January, April and July 2024. The payslips listed all details of daily-rated wages, piece-rated wages, payment for any overtime work done, public holiday pay, and salary deductions. Verification of punch card of each worker was carried out to confirm payment of overtime was made accordingly.</p> <p>Sample of workers details and information reviewed as below:</p> <table><tr><th>Lahad Datu POM (Employee ID)</th><th>Hwa Li 2 (Employee ID)</th></tr><tr><td>1. W049</td><td>1. HW0062</td></tr><tr><td>2. W017</td><td>2. HW0678</td></tr><tr><td>3. W056</td><td>3. HW0213</td></tr><tr><td>4. W010</td><td>4. HW0680</td></tr><tr><td>5. W055</td><td>5. HW0104</td></tr><tr><td>6. W029</td><td>6. HW0728</td></tr><tr><td>7. W019</td><td>7. HW0677</td></tr><tr><td>8. W060</td><td>8. HW0212</td></tr><tr><td>9. W059</td><td>9. HW0106</td></tr><tr><td>10.W016</td><td>10. HW0745</td></tr></table>	Lahad Datu POM (Employee ID)	Hwa Li 2 (Employee ID)	1. W049	1. HW0062	2. W017	2. HW0678	3. W056	3. HW0213	4. W010	4. HW0680	5. W055	5. HW0104	6. W029	6. HW0728	7. W019	7. HW0677	8. W060	8. HW0212	9. W059	9. HW0106	10.W016	10. HW0745	Complied
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		11.W072 12.W074	11. HW0561 12. HW0655 13. HW0726 14. HW0618 15. HW0742 16. HW0740 17. HW0041 18. HW0066 19. HW0068 20. HW0532 21. HW0528 22. HW0531 23. HW0134 24. HW008 25. HW0021		
6.2.3	<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.</p> <p>- Critical (Major) compliance -</p>	<p>A total of 36 samples across Lahad Datu POM and Hwa Li 2 have been identified according to gender, nationality, job scope, duration of employment and position hold in welfare committee and gender committee. Document review on sampled workers' employment agreement, sighted the document established stipulates with terms of conditions of service such position, period of employment, types of work, responsibilities of employer, responsibilities of employee, salary payable, working hours, annual leave, sick leave, mutual termination of contract, facilities, deductions, overtime, holiday entitlement, maternity leave, and period of notice.</p> <p>Payroll documents were sampled for three months: January, April and July 2024. The payslips listed all details of daily-rated wages, piece-rated wages,</p>			Complied

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		<p>payment for any overtime work done, public holiday pay, and salary deductions.</p> <p>Verification of punch card of each worker was carried out to confirm payment of overtime was made accordingly. While for annual leave, workers are required to apply using annual leave application form and will be approve by manager accordingly.</p> <p>Sample of workers details and information reviewed as below:</p> <table><tr><th>Lahad Datu POM (Employee ID)</th><th>Hwa Li 2 (Employee ID)</th></tr><tr><td>1. W049</td><td>1. HW0062</td></tr><tr><td>2. W017</td><td>2. HW0678</td></tr><tr><td>3. W056</td><td>3. HW0213</td></tr><tr><td>4. W010</td><td>4. HW0680</td></tr><tr><td>5. W055</td><td>5. HW0104</td></tr><tr><td>6. W029</td><td>6. HW0728</td></tr><tr><td>7. W019</td><td>7. HW0677</td></tr><tr><td>8. W060</td><td>8. HW0212</td></tr><tr><td>9. W059</td><td>9. HW0106</td></tr><tr><td>10.W016</td><td>10. HW0745</td></tr><tr><td>11.W072</td><td>11. HW0561</td></tr><tr><td>12.W074</td><td>12. HW0655</td></tr><tr><td></td><td>13. HW0726</td></tr><tr><td></td><td>14. HW0618</td></tr><tr><td></td><td>15. HW0742</td></tr><tr><td></td><td>16. HW0740</td></tr><tr><td></td><td>17. HW0041</td></tr></table>	Lahad Datu POM (Employee ID)	Hwa Li 2 (Employee ID)	1. W049	1. HW0062	2. W017	2. HW0678	3. W056	3. HW0213	4. W010	4. HW0680	5. W055	5. HW0104	6. W029	6. HW0728	7. W019	7. HW0677	8. W060	8. HW0212	9. W059	9. HW0106	10.W016	10. HW0745	11.W072	11. HW0561	12.W074	12. HW0655		13. HW0726		14. HW0618		15. HW0742		16. HW0740		17. HW0041	
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			18. HW0066 19. HW0068 20. HW0532 21. HW0528 22. HW0531 23. HW0134 24. HW0081 25. HW0021													
6.2.4	<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. 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>- Critical (Major) compliance -</p>	<p>Line inspection checklist format is available and documented in the Checklist Inspection of Labour Line. As per checklist, line site inspection needs to be conducted for specific parameters in-line with applicable requirements.</p> <p>3 latest inspections conducted for Lahad Datu POM and Hwa Li 2 based were tabulated below.</p> <table><tr><th>Mill/Estate</th><th colspan="3">Date of inspection</th></tr><tr><td>Lahad Datu POM</td><td>30/08/2024</td><td>24/08/2024</td><td>19/08/2024</td></tr><tr><td>Hwa Li 2</td><td>28/08/2024</td><td>21/08/2024</td><td>114/08/2024</td></tr></table> <p>As per stated in the inspection records, there are no discrepancies were recorded, and all the parameters were met. Nevertheless, during the on-site visit, it was observed that there are damages to ceilings, windows, mosquito nets, and rain gutters were noted, contradicting the findings of the housing inspection.</p> <p>With the above objectives evidence, a Major non-conformity is raised against this indicator.</p>	Mill/Estate	Date of inspection			Lahad Datu POM	30/08/2024	24/08/2024	19/08/2024	Hwa Li 2	28/08/2024	21/08/2024	114/08/2024		Non-compliance
Mill/Estate	Date of inspection															
Lahad Datu POM	30/08/2024	24/08/2024	19/08/2024													
Hwa Li 2	28/08/2024	21/08/2024	114/08/2024													
6.2.5	The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.	It was identified there were sundry shops located in the estate compound and the estates are nearby to the nearest town, Kg Paris. The workers can			Complied											

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	- Minor compliance -	easily access to adequate, sufficient and affordable foods and goods. Price of goods were displayed at the sundry shops. Worker's interview confirmed that they can easily purchase foods at the nearest shop or choose to go nearest town away from the estate by using provided transport by estate and mill. Workers also allowed to plant vegetables to supplement their diet. Verified and sighted price comparison between established sundry shops in estates which conducted every 3 months. Last comparison of price documents was conducted on 13/08/2024.	
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:</p> <p>STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</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 endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam 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 fulfils 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</p>	<p>JC Chang Group has established Guideline of Implementation Plan for Decent Living Wage (DLW), Doc. No.: E027-01/2019 dated 29/11/2019.</p> <p>Plantation Department has conducted assessment on actual average wage calculation of DLW benchmark calculation for JC Chang Group in Lahad Datu POM and Hwa Li 2 that consists of 6 parameter cost were taken into account such as Food, housing, Non-Food Non-Housing Basket (NFNH), unexpected events (5%), total living basket, net living wage and statutory deduction.</p> <p>It was found that the Decent Living Wage (DLW) for mill and estate is at RM1,137.91. While Prevailing Wage is identified at RM2,904.24. The difference between bot figure is RM1,766.33 which concludes that prevailing wage for Lahad Datu POM is above living wage benchmark.</p>	Complied

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	<p>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 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 (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).</i></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 pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <p>- Minor compliance -</p>		
6.2.7	<p>Permanent, full-time employment including contractors' workers and contracted workers 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>According to the verification of the master list of workers, pay slips, employment contracts, and interviews with the workers, it has been established that all permanent workers at Lahad Datu POM and Hwa Li 2 performed core work. There is no recruitment of casual, temporary, or seasonal workers across mill and estate. No contractor appointed in estate as confirmed by site visit and document review.</p>	Complied

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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.																												
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>- Critical (Major) compliance -</p>	<p>JC Chang Group established Social and Human Rights Policy signed by Mr. Tee Swee Kee, Plantation Director dated 14/11/2019 include statement of recognizing freedom of association and the right to collective bargaining.</p> <p>Website review and onsite visit observed the Policy is available on displayed in understandable language at office and housing area notice board. There is also session with internal and external stakeholders for estate and mill sharing the statement recognizing freedom of association as table below:</p> <table><tr><th colspan="3">Lahad Datu POM</th></tr><tr><th>Audience</th><th>Event</th><th>Date</th></tr><tr><td>Internal Employee</td><td>Morning Muster</td><td>19/08/2024</td></tr><tr><td>FFB Supplier/Outgrower</td><td>FFB Supplier Meeting</td><td>02/02/2024</td></tr><tr><td>External Stakeholder</td><td>Stakeholder Meeting</td><td>20/06/2024</td></tr><tr><th colspan="3">Hwa Li 2</th></tr><tr><td>Internal Workers</td><td>Policy Awareness Briefing</td><td>25/01/2024</td></tr><tr><td>External Stakeholder</td><td>Stakeholder Meeting</td><td>20/06/2024</td></tr></table>		Lahad Datu POM			Audience	Event	Date	Internal Employee	Morning Muster	19/08/2024	FFB Supplier/Outgrower	FFB Supplier Meeting	02/02/2024	External Stakeholder	Stakeholder Meeting	20/06/2024	Hwa Li 2			Internal Workers	Policy Awareness Briefing	25/01/2024	External Stakeholder	Stakeholder Meeting	20/06/2024	Complied
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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>J.C Chang Group has implemented a Social and Human Rights Policy, officially signed by Plantation Director, dated 14/11/2019. This policy emphasized on acknowledges the importance of freedom of association and the right to collective bargaining for all individuals. It was observed that the Social and Human Rights Policy is prominently displayed on main notice boards at both mill and estate. This demonstrates the company's</p>		Complied																								

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		<p>commitment to ensuring that workers are informed about and understand their rights and the policies in place to protect them.</p> <p>In Lahad Datu POM, verified and sighted minutes of meeting conducted by Joint Consultative Committee (JCC) on 23/12/2023, 23/03/2024 and 22/06/2024. As per minutes of meeting reviewed, it was affirmed that the discussion was regards to but not limited to worker's welfare and living condition, payment terms and benefit, price comparison for sundry shops, decent living wages, facilities and infrastructure, and others.</p> <p>While for Hwa Li 2, it was noted that JCC meeting was conducted recently on 17/08/2024. The meeting highlighted concerns on social issues, minimum wages analysis, living condition, welfare and facilities provided, payment terms of piece rate job, price at sundry shop and discussion for any complaints lodge.</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>Verified Joint Consultative Committee (JCC) was established at both mill and estate with each committee having its own organizational structure. The members of these committees are selected among the workers.</p> <p>In Lahad Datu POM, sighted a session for worker's representative committee election conducted on 11/12/2023. It was confirmed that there is no representative of employers attended the session and workers freely elected their representative among them. Interview session with JCC committee and workers confirmed the statement.</p> <p>While for Hwa Li 2, it was noted that election for committee members was conducted on 13/04/2022. 13 workers have been elected via manual voting system to represent all workers. No representative of management attended the session, and this confirmed through interview session with the committee members and document review.</p>	Complied
Criterion 6.4: Children are not employed or exploited.			

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6.4.1	<p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p>	<p>JC Chang Group has established Child Protection Policy signed by Mr. Tan Swee Kee, Plantation Director dated 20/02/2022 includes company commitment to protect children, include the prohibition against child labour. Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labour hired.</p> <p>For outsource party supplier/contractors appointed, they are required to comply with applicable legal requirements and disallowing child, forced and trafficked labour via Document review on Sustainability Compliance s by FFB supplier and contractors. Samples reviewed as below:</p> <table><tr><td>Contractor</td><td>Status</td><td>Date of agreement</td></tr><tr><td>Sri Badas Sdn Bhd</td><td>Outside FFB Supplier</td><td>02/01/2024</td></tr><tr><td>Prestige Central Management</td><td>Outside FFB Supplier</td><td>02/01/2024</td></tr><tr><td>Pengangkutan Dagang Tera Sdn Bhd</td><td>CPO & PK Transporter</td><td>01/09/2023</td></tr></table>	Contractor	Status	Date of agreement	Sri Badas Sdn Bhd	Outside FFB Supplier	02/01/2024	Prestige Central Management	Outside FFB Supplier	02/01/2024	Pengangkutan Dagang Tera Sdn Bhd	CPO & PK Transporter	01/09/2023	Complied
Contractor	Status	Date of agreement													
Sri Badas Sdn Bhd	Outside FFB Supplier	02/01/2024													
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Pengangkutan Dagang Tera Sdn Bhd	CPO & PK Transporter	01/09/2023													
6.4.2	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>Reviewed the master list in each operating units and interview session with samples, found that no young person was employed. All the workers are above 18 years old. It has been further confirmed during the interview with the workers.</p> <p>Lahad Datu POM and Hwa Li 2 screened their workers' age using NRIC (for Malaysians) and passports (for non-Malaysians) in their personnel files. No individuals under 18 were found working during a site visit, showing compliance with age-related employment regulations.</p>	Complied												
6.4.3	<p>(C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>- Critical (Major) compliance -</p>	<p>It was confirmed that via reviewing the master list in each operating units and interview session with samples, found that no young person was employed.</p>	Complied												

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6.4.4	<p>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.</p> <p>- Minor compliance -</p>	<p>Field observation, interviewing with workers and verification of workers master list confirmed that there is no child labour hired. Briefing on No Child Labor policy has been conducted regularly which includes contractor as table below:</p> <table><tr><td colspan="3">Lahad Datu POM</td></tr><tr><td>Audience</td><td>Event</td><td>Date</td></tr><tr><td>Internal Employee</td><td>Morning Muster</td><td>19/08/2024</td></tr><tr><td>FFB Supplier/Outgrower</td><td>FFB Supplier Meeting</td><td>02/02/2024</td></tr><tr><td>External Stakeholder</td><td>Stakeholder Meeting</td><td>20/06/2024</td></tr><tr><td colspan="3">Hwa Li 2</td></tr><tr><td>Internal Workers</td><td>Policy Awareness Briefing</td><td>25/01/2024</td></tr><tr><td>External Stakeholder</td><td>Stakeholder Meeting</td><td>20/06/2024</td></tr></table>	Lahad Datu POM			Audience	Event	Date	Internal Employee	Morning Muster	19/08/2024	FFB Supplier/Outgrower	FFB Supplier Meeting	02/02/2024	External Stakeholder	Stakeholder Meeting	20/06/2024	Hwa Li 2			Internal Workers	Policy Awareness Briefing	25/01/2024	External Stakeholder	Stakeholder Meeting	20/06/2024	Complied
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Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.																											
6.5.1	<p>(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.</p> <p>- Critical (Major) compliance -</p>	<p>J.C. Chang Group has established Sexual Harassment Policy, signed by Mr. Tan Swee Kee, Plantation Director dated 01/07/2012 describes company commitment to prevent sexual and other forms of harassment. In addition, the management also demonstrated their commitment via SOP on Mechanism for the Prevention and Eradication of Sexual Harassment and Violence in the Workplace, Doc. No.: E/003-01/2008 dated 01/10/2008. The procedure describes the responsibility and legal obligation to maintain a workplace free of sexual harassment and aim to provide guidelines to estates and mills on the establishment and implementation of in-house mechanisms to prevent and eradicate sexual harassment in workplace. Briefing on the policy has been provided to all workforce where latest recorded as below:</p>	Complied																								

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		<table><tr><td colspan="3">Lahad Datu POM</td></tr><tr><td>Audience</td><td>Event</td><td>Date</td></tr><tr><td>Internal Employee</td><td>Morning Muster</td><td>19/08/2024</td></tr><tr><td>FFB Supplier/Outgrower</td><td>FFB Supplier Meeting</td><td>02/02/2024</td></tr><tr><td>External Stakeholder</td><td>Stakeholder Meeting</td><td>20/06/2024</td></tr><tr><td colspan="3">Hwa Li 2</td></tr><tr><td>Internal Workers</td><td>Policy Awareness Briefing</td><td>25/01/2024</td></tr><tr><td>External Stakeholder</td><td>Stakeholder Meeting</td><td>20/06/2024</td></tr></table>	Lahad Datu POM			Audience	Event	Date	Internal Employee	Morning Muster	19/08/2024	FFB Supplier/Outgrower	FFB Supplier Meeting	02/02/2024	External Stakeholder	Stakeholder Meeting	20/06/2024	Hwa Li 2			Internal Workers	Policy Awareness Briefing	25/01/2024	External Stakeholder	Stakeholder Meeting	20/06/2024	
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6.5.2	<p>(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.</p> <p>- Critical (Major) compliance -</p>	<p>J.C. Chang Group has established Reproductive Rights Policy, signed by Mr. Tan Swee Kee, Plantation Director dated 14/11/2019 describes company commitment to protect reproductive rights of all, especially for women in operations. In addition, the management also demonstrated their commitment via Guideline on Reproductive Right, Doc no.: E/015-02/2015 dated 05/11/2015 which include the right to birth control, freedom from coerced sterilization and contraception, right to access good-quality reproductive healthcare, right to education and access to make free and informed reproductive choices; and right to receive education about sexually transmitted infections and other aspects of sexuality.</p> <p>Briefing on the policy has been provided to all workforce as below:</p> <table><tr><td colspan="3">Lahad Datu POM</td></tr><tr><td>Audience</td><td>Event</td><td>Date</td></tr><tr><td>Internal Employee</td><td>Morning Muster</td><td>19/08/2024</td></tr><tr><td>FFB Supplier/Outgrower</td><td>FFB Supplier Meeting</td><td>02/02/2024</td></tr></table>	Lahad Datu POM			Audience	Event	Date	Internal Employee	Morning Muster	19/08/2024	FFB Supplier/Outgrower	FFB Supplier Meeting	02/02/2024	Complied												
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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 -	According to Guideline on Reproductive Right, Doc no.: E/015-02/2015 dated 05/11/2015 which include the right to birth control, freedom from coerced sterilization and contraception, right to access good-quality reproductive healthcare, right to education and access to make free and informed reproductive choices; and right to receive education about sexually transmitted infections and other aspects of sexuality. There is no identified new mother in Lahad Datu POM and Hwa Li 2 during the audit period. However, there is form for new mother assessment to identified needs and facilities for them. Any needs by new mothers will review by representative of gender committee and approve by manager.	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. - Minor compliance -	J.C. Chang Group established SOP on Mechanism for Complaints and Grievances is available in Doc. No. E/001-07/2019 dated 12/08/2019 and "SOP on mechanism for the prevention and eradication of sexual harassment and violence in the workplace". Both SOPs respects anonymity and protects complainants when requested especially for sensitive issues regarding on sexual concerns. Interview session with gender committee and female workers confirmed that they are aware and understand on the SOPs and mechanism.	Complied												
Criterion 6.6: No forms of forced or trafficked labour are used.															

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6.6.1	<p>(C) All workers have entered into employment voluntarily and the following are prohibited:</p> <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 <p>- Critical (Major) compliance -</p>	<p>After conducted interview with samples of workers, documents review and observation, it can be concluded that:</p> <ul style="list-style-type: none"> • Retention of documents: Identity documents or passport are not retained unless necessary for passport or work permit renewal. Workers are free to keep their own identity documents and site verification at their house confirmed there is designated drawer for workers to keep their identity document safely. • Charging of recruitment fee: No recruitment fees are imposed on workers, as per interview with sample workers, they claimed they have not incurred any recruitment fees. • Involuntary overtime: Workers have the option to either accept or decline any overtime offers from their superiors. Based on their job requirements and positions, workers are informed by their supervisors or mandores. • Lack of freedom to resign: According to employment agreement of samples of workers, there are no specific terms and conditions outlined for resignations, and the operating units will bear the cost of flight tickets in such cases. • Debt bondage: Verification of pay slips of the samples of workers affirmed that there is no such evidence of debt bondage among the local and foreign workers. Workers claimed that there is no loan of money provided by the management especially during their early employment phase. Expenses from their hometown to the estate and mill are all covered by company hence there is no debt bondage implemented. • Withholding of wages: There is no evidence of wage withholding despite the management disburses workers' wages with cash system. Additionally, there is documented proof of payments signed by the workers and interview session confirmed the statement. 	Complied
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6.6.2	<p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>J. C. Chang Holding Sdn Bhd has released Social & Human Rights Policy, Date: 14/11/2019. Stated in the policy that the management is committed in promoting and protecting good social and human rights practices through:</p> <ul style="list-style-type: none"> • Comply with labour laws and relevant regulations. • Commitment to the ILO, Malaysia • No forced and trafficked employment • Respect the rights to be free from prejudice based on race, gender, national origin, color or age. • Respect the rights to associate and free to join union. • Respect the rights to live with life free of discrimination. • Respect the rights to freely exercise of religion and practice belief. <p>Samples of workers claimed that they are equally treated despite have different of position, nationality, and religion. No movement restriction has been enforced and identity documents are kept by themselves. They are also aware and acknowledged on terms and conditions stated in their employment contract.</p> <p>Documents review on the guideline include legalization of foreign workers, no contract substitution, no discrimination, payment of minimum wages, provision of post-arrival orientation on language, safety, laws, regulations. All workers have been employed permanently by the management in Lahad Datu POM and Hwa Li 2.</p>	Complied
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</p>	<p>The responsibility and accountability to ensure safety and health at each operating unit lie with the respective estate and mill manager. The estate and mill manager has been appointed by Mill Director and General Manager as Chairman for OSH Committee at the respective unit. The respective</p>	Complied

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	<p>are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p>	<p>estate and mill manager appoint an Assistant Manager of theirs as the person in charge of safety. OSH Committee members, representing both employer and employee of estate and mill visited were appointed. Official letters of appointment were provided to all OSH committee members for their respective roles (i.e.: Secretary, employer representative and employee representative). OSH Committee Organizational Chart also were made available during the audit.</p> <p>Furthermore, visited operating unit has conducted regular meetings and two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare and discussed openly. OSH Meeting has been conducted on quarterly basis, attended by employer and employee representatives. The meeting was chaired by estate and mill manager at their respective unit. Minutes of OSH meeting was kept, and all the concern of the employees and any remedial actions taken was recorded. Workplace inspections were made prior to the committee meeting.</p> <p>Generally, among agenda discussed in the meeting are as follows:</p> <ul style="list-style-type: none"> • Accident report • Previous minutes meeting matters • Workplace inspection report • Other matters. <p>Minutes of OSH meeting for visited operating unit were verified during the audit as follows:</p> <p>Hwa Li 2: OSH Committee meeting was conducted on 17/11/2023 (Quarter 4), 17/02/2024 (Quarter 1), 17/05/2024 (Quarter 2) and 17/08/2024 (Quarter 1).</p> <p>Lahad Datu POM: Since the mill commissioning on 18/10/2023, OSH Committee meeting was conducted on 23/12/2023, 22/03/2024 and 22/06/2024.</p>	
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6.7.2	<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>J.C. Chang Holdings Sdn Bhd has established procedures on accident and emergency to be adopted by all operating unit under the company. This was referred to document as below:</p> <ul style="list-style-type: none"> • Standard Operating Procedure for Flood (Doc. Ref. No.: U/007-01/2015; Doc Date: 28/01/2015) • Standard Operating Procedure for Landslide (Doc. Ref. No.: U/001-01/2015; Doc Date: 28/01/2015) • Standard Operating Procedure for Building Evacuation (Doc. Ref. No.: U/002-01/2015; Doc Date: 28/01/2015) • Standard Operating Procedure for Intrusion (Doc. Ref. No.: U/003-01/2015; Doc Date: 28/01/2015) • Standard Operating Procedure for Riot (Doc. Ref. No.: U/004-01/2015; Doc Date: 28/01/2015) • Standard Operating Procedure for Typhon (Doc. Ref. No.: U/005-01/2015; Doc Date: 28/01/2015) • Standard Operating Procedure for Chemical Spillage (Doc. Ref. No.: U/006-01/2015; Doc Date: 28/01/2015) <p>Flowchart for emergency has been placed at strategic location e.g., office notice board, store, etc. It was observed emergency contact numbers were also displayed in notice board, workstation and facilities at estate and mill visited.</p> <p>In addition, the organization for the ERP team was established by each operating unit. Interview with sample workers found they have good understanding on accident and emergency procedures. Portable eye wash was provided to the sprayers as verified during the field visit. While at the workstation, observed emergency shower and eyewash were installed at area which is exposed to the chemical hazards such as chemical premix area, chemical store, and laboratory. During site visit at the POM and</p>	Complied
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		<p>estates, it was verified that adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Records of training consists of attendance list, photos and briefing material is available for verification. Training for fire drill and emergency response plan at each estate was conducted as follows:</p> <p><u>Hwa Li 2</u> Firefighting and Emergency Response Plan training that was conducted on 03/09/2024.</p> <p><u>Lahad Datu POM</u> Fire Drill training that was conducted on 02/02/2024.</p> <p>Observed during site visit at operating unit visited (i.e., Hwa Li 2 and Lahad Datu POM) found, first aid kit is available with approved content. Record of monthly monitoring and inventory of first aid item also is available in the first aid box. First aid item was monitored by Estate Hospital Assistant at estate and mill. Interview with the person in charge at the visited area confirms that they have attended first aid training. Record of training first aid were verified during the audit. First Aid training was conducted as below:</p> <table><tr><th>Estate/Mill</th><th>Date of Training</th></tr><tr><td>Hwa Li 2</td><td>07/03/2024</td></tr><tr><td>Lahad Datu POM</td><td>23/01/2024</td></tr></table> <p>Accident record was verified during the audit. In practice, accident record and investigation were recorded and discussed during quarterly OSH meeting. JKKP 8 Form is submitted every year to Department of</p>	Estate/Mill	Date of Training	Hwa Li 2	07/03/2024	Lahad Datu POM	23/01/2024	
Estate/Mill	Date of Training								
Hwa Li 2	07/03/2024								
Lahad Datu POM	23/01/2024								

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		<p>Occupational Safety and Health (DOSH). Each operating unit visited has submitted the JKKP 8 form through MyKKP portal as below:</p> <table><tr><td>Estate/Mill</td><td>Reference No</td><td>Date Submission</td></tr><tr><td>Hwa Li 2</td><td>JKKP 8/176763/2023</td><td>30/01/2024</td></tr><tr><td>Lahad Datu POM</td><td>JKKP 8/163893/2023</td><td>15/01/2024</td></tr></table> <p>Sample of accident investigation for an accident occurred on 22/06/2023, Involving a worker who was electrocuted while passing by an electrical substation on the way home from work was done by OSH Committee Members consists of employee and employer representatives and chaired by estate manager. The recommendation for an action plan has been drafted on the same date. A revised HIRARC for this accident was documented on 22/06/2024 with the additional risk control to provide non-conductive pole.</p>	Estate/Mill	Reference No	Date Submission	Hwa Li 2	JKKP 8/176763/2023	30/01/2024	Lahad Datu POM	JKKP 8/163893/2023	15/01/2024	
Estate/Mill	Reference No	Date Submission										
Hwa Li 2	JKKP 8/176763/2023	30/01/2024										
Lahad Datu POM	JKKP 8/163893/2023	15/01/2024										
6.7.3	<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>- Critical (Major) compliance -</p>	<p>The management provides appropriate PPE to the employees in accordance with HIRARC and Standard Operating Procedure. PPE issuance records were well maintained and made available for verification. Among information available in the record was name of employee, type of PPE (i.e., apron, safety shoes, rubber boots, N95 mask, respirator, cartridge, helmet, goggles, gloves, etc.), date of PPE received and receipt acknowledgement by the recipient. All worker sampled during the audit have been adequately trained in understanding SDS, safe working practices and the correct use of PPE. Interview with workers also revealed that each PPE they received was free, and the management did not charge any payments for the PPE. If there is any damage or it is time to change to new PPE, the worker only needs to bring the used PPE to the management and the management will issue new PPE to the worker.</p> <p>In addition, the management provides adequate shower room and soap for workers use after returning from activities involving chemical application.</p>	Complied									

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		Lockers are also provided for convenience of employees to keep clean clothes.																			
6.7.4	<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.</p> <p>- Minor compliance -</p>	<p>Medical care is provided to all the employees by the organization and covered by accident insurance. Reviewed on workers profile records found that all workers are covered by the accident insurances. All local workers and foreign workers were covered under SOCSO scheme. Sighted the contribution form (8A) "Jadual Caruman" for January and May 2024 for the mill and estate visited.</p> <p>Example of records verified are as follows:</p> <p><u>Hwa Li 2 Estate</u></p> <table><tr><td>Month</td><td>Total Worker</td><td>Amount</td></tr><tr><td>January 2024</td><td>271</td><td>RM6,371.40</td></tr><tr><td>May 2024</td><td>286</td><td>RM6,255.20</td></tr></table> <p><u>Lahad Datu POM</u></p> <table><tr><td>Month</td><td>Total Worker</td><td>Amount</td></tr><tr><td>January 2024</td><td>38</td><td>RM1,869.70</td></tr><tr><td>May 2024</td><td>54</td><td>RM2,281.50</td></tr></table> <p>Furthermore, workers at mill and estate have access free medical consultation and medication at the clinics located in Hwa Li 2 which is nearby Lahad Datu POM. They are attended to by certified Estate Hospital Assistant. Records of medical inventory, VMO visit, and patients treated were made available for verification.</p>	Month	Total Worker	Amount	January 2024	271	RM6,371.40	May 2024	286	RM6,255.20	Month	Total Worker	Amount	January 2024	38	RM1,869.70	May 2024	54	RM2,281.50	Complied
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6.7.5	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p>	<p>Accurate records regarding Lost Time Accident (LTA) have been maintained. Records on Lost Time Accident (LTA) metrics at the estate and mill visited were available for verification. JKKP 8 Form is submitted every</p>	Complied																		

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	- Minor compliance -	<p>year before the end of January to Department of Occupational Safety and Health (DOSH). Each operating unit visited has submitted the JKPP 8 form through MyKKP portal as below:</p> <table><tr><td>Estate/Mill</td><td>Reference No</td><td>Date Submission</td></tr><tr><td>Hwa Li 2</td><td>JKKP 8/167777/2023</td><td>18/01/2024</td></tr><tr><td>Lahad Datu POM</td><td>JKKP 8/163893/2023</td><td>15/01/2024</td></tr></table> <p>Further verification of the submitted JKPP 8 Form showed that 60 lost days of work were recorded for year 2023 for Hwa Li 2 Estate. This also has been recorded in the RSPO Metric Template. Record of investigation and OSH Committee meeting regarding the accident is conducted on 22/06/2023.</p>	Estate/Mill	Reference No	Date Submission	Hwa Li 2	JKKP 8/167777/2023	18/01/2024	Lahad Datu POM	JKKP 8/163893/2023	15/01/2024	
Estate/Mill	Reference No	Date Submission										
Hwa Li 2	JKKP 8/167777/2023	18/01/2024										
Lahad Datu POM	JKKP 8/163893/2023	15/01/2024										
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	<p>(C) IPM plans are implemented and monitored to ensure effective pest control.</p> <p>- Critical (Major) compliance -</p>	<p>Hwa Li 2 has established Integrated Pest Management (IPM) Plan, dated 01/07/2024 to ensure effective pest control were conducted by the estate. Among the plan are as follows:</p> <p>1) Rat – Discourage killing and hunting of snake, leopard cat or other predators of rats.</p> <p>2) Leaf eating caterpillar – Practice of balnekt spraying is not allowed in estate. To plant beneficial plant as predator host i.e., <i>antigonan leptopus</i>, etc. and establish natural covers.</p> <p>3) Rhinoceros Beetle – Use insecticide if attacks are observed in the field. Chemical will apply upon fresh damage sighted.</p> <p>4) Ganoderma – To carry out census to assess the severity of outbreak.</p> <p>5) Woodies – To carry out circle/strip spraying and selective weeding programme and whenever required.</p>	Complied									

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		<p>Based on the documentation review and observations during the field visit, it was found that the estate has implemented the IPM plan. Progress was recorded in the planting beneficial plants record and the rat census damage form. The beneficial plants are strategically planted along roadsides and unshaded field boundaries.</p> <p>Interviews with estate management and workers confirmed that no pest outbreaks have been recorded in the past two years. Leaf-eating caterpillar damage is very rare, with no recorded incidents in over five years. Despite this, daily monitoring is conducted by the mandore, who reports any outbreaks to the assistant manager. If an outbreak is detected, a census is conducted, and the estate seeks assistance from the Agronomist and Plantation Controller for recommendations on further action. During the site visit, minimal pest attack symptoms, such as rat damage, were observed.</p>	
7.1.2	<p>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.</p> <p>- Minor compliance -</p>	<p>None of the species referenced in the Global Invasive Species Database and CABI.org were used in the management of IPM in the Hwa Li 2. In JC Chang Group estates, 3 common plant species were used for IPM such as <i>Tunera subulata</i>, <i>Cassia cobanensis</i>, and <i>Antigonon leptopus</i>. This has been verified during the field visit at the estate. Based on interview conducted, it is also noted that person-in-charge of the estate (Estate Managers, Assistant Managers, Staffs) are aware of the Global Invasive Species and CABI.org</p>	Complied
7.1.3	<p>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.</p> <p>- Minor compliance -</p>	<p>There is no use of fire for pest control. The estate is committed to Zero Burning compliance, as outlined in the JC Chang Group Environmental Policy dated 01/01/2008. This commitment was verified during the site visit, where no fire was used for pest control. The estate also practices GAP, including planting beneficial plants and using specific pesticides to control targeted pests.</p>	Complied
Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.			

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7.2.1	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>The justification of all pesticides used in the estate were documented in:</p> <ul style="list-style-type: none"> - Guideline on Weeding Regime and Practices (Doc. Ref. No.: B/004-02/2019; Doc. Date: 12/08/2019) - Justifications for Weedicides Usage (Doc. Ref. No.: B/009-13/2019; Doc. Date: 24/10/2019) <p>The above procedure was clearly stated the justification of pesticides used in the estate which includes chemical list indicates the purpose of usage (intended target), active ingredients names as well as the specific targets. All pesticides used were those officially registered under the Pesticide Act 1974. The certification units confined usage to only class II, class III & class IV pesticides.</p> <p>Among types of pesticides used with justifications included:</p> <ul style="list-style-type: none"> • Glyfosionate ammonium 13.5% (Circle for immature palms) • Imazethapyr ammonium 5.2% (Weed control for LCC in immature fields) • Glyphosate isopropylamine 41% + Metsulfuron methyl 20% (Circle or strip spraying for mature palms) • Metsulfuron methyl 20% (Selective for broadleaves, soft woodies, wild yam and wild banana) • Tricopyr-2-butoxyethyl ester 32.10% (Selective for general woody brushes and shrubs) • 2,4-D dimethylamine (Selective for Asystasia intrusa) • Glyphosate monoammonium 33.6% (Selective for VOPs) <p>All chemicals usage was based on the "need to do basis" to enhance field operations. Specific pesticides had been used to deal with respective target pest, weed, or disease. Based on the document review and inspection at</p>	Complied
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		the chemical store, the estates had used only class III & class IV pesticides. No illegal agrochemicals (stated by local and international laws) in particular Paraquat were used in the estates. No Class 1 chemicals had been used by the estates.																																	
7.2.2	<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.</p> <p>- Critical (Major) compliance -</p>	<p>Record of pesticide usage was available including active ingredient used and area treated, amount of active ingredient applied per Ha and number of applicants, documented in Monitoring of Pesticide Usage – Units Per Ha, Tonne FFB and Per Tonne Oil FY23/24. The details are as below:</p> <table border="1"> <thead> <tr> <th>Pesticides</th><th>a.i</th><th>a.i %</th><th>a.i Used per Ha</th></tr> </thead> <tbody> <tr> <td>Ammo Supre</td><td>Glyphosate Monoammonium</td><td>33.6</td><td>0.2407</td></tr> <tr> <td>BM Glyphosate</td><td>Glyphosate Isopropylammonium</td><td>41</td><td>0.0021</td></tr> <tr> <td>Ally 20DF</td><td>Metsulfuron Methyl</td><td>20</td><td>9.6619</td></tr> <tr> <td>Miracle S240</td><td>Polyether Modified Trisiloxane</td><td>75</td><td>19.6023</td></tr> <tr> <td>GARLON MIX</td><td>Triclopyr- Butoxyethyl Ester</td><td>31.4</td><td>0.0924</td></tr> <tr> <td>Storm</td><td>Flocoumafen</td><td>0.005</td><td>0.0106</td></tr> <tr> <td>DECIS 250</td><td>Deltamethrin</td><td>2.85</td><td>0.1523</td></tr> </tbody> </table>	Pesticides	a.i	a.i %	a.i Used per Ha	Ammo Supre	Glyphosate Monoammonium	33.6	0.2407	BM Glyphosate	Glyphosate Isopropylammonium	41	0.0021	Ally 20DF	Metsulfuron Methyl	20	9.6619	Miracle S240	Polyether Modified Trisiloxane	75	19.6023	GARLON MIX	Triclopyr- Butoxyethyl Ester	31.4	0.0924	Storm	Flocoumafen	0.005	0.0106	DECIS 250	Deltamethrin	2.85	0.1523	Complied
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7.2.3	<p>(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.</p> <p>- Critical (Major) compliance -</p>	<p>The quantity of agrochemicals required for various field conditions are documented and justified in the documents mentioned in indicator 7.2.1.</p> <p>The implementation in the field is consistent with the SOP established.</p> <p>IPM Plan established and documented as mentioned in indicator 7.1.1. Pesticides used monitored on monthly and annual basis with data recorded and available to monitor trends. The trends currently increase due to additional of immature palm fields. Sighted during the site visit at the estates, the establishment of beneficial plants along the estate roads and</p>	Complied																																

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		immature areas as well as barn owl boxes placed at strategic areas. Map of beneficial plant and barn owl were made available during the audit.	
7.2.4	There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines. - Minor compliance -	No prophylactic use of pesticide was detected during the audit at the estate. This was confirmed through pesticide usage records and interviews with staff, mandores and pesticide applicator. Further verification found that the amount of chemical usage was based on recommendation provided on the chemical label. This indicates that chemical calibration process was in place to determines the correct amount of chemical needed and how to premix it in the water. Such practices aim to optimize the effectiveness of chemical applications while minimizing waste and potential environmental impact. In practice, the estates approach to pesticide usage is based on targeted, where pesticides are applied only when necessary to address specific target problem. This means that pesticides are not applied as a preventive measure before any pest related issues arise.	Complied
7.2.5	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to: a) Judgment of the threat and verify why this is a major threat b) Why there is no other alternative which can be used c) Which process was applied to verify why there is no other less hazardous alternative d) What is the process to limit the negative impacts of the application e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.	Based on estates Chemical Register using OSHA regulated format, there were only class II, III & IV chemicals used by the estates. There were no pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat used. This is all confirmed through interview with relevant personnel (storekeeper, workers, etc.) during the site visit.	Complied

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	- Minor compliance -		
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 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>- Critical (Major) compliance -</p>	<p>Trainings on safe handling of chemical and right method of spraying were given to the relevant workers which include storekeeper, pre-mixers, and herbicides sprayer. This also in line with recommendation by CHRA assessor. Various methods of training such as briefing, practical training and on-the-job supervision were used to ensure effective delivery of knowledge. Training includes spraying technique, precautions, and symptoms of toxic reactions as skin disorders, rashes, breathing difficulties or nail problems. Records of training were well maintained for verification at operating unit visited.</p> <p>Example of training verified are as below:</p> <p><u>Hwa Li 2</u></p> <ul style="list-style-type: none"> • Training for sprayer, chemical handler, SDS and chemical surplus that was conducted on 16/01/2024. • Safe Working Procedures for Premix, Chemical Area and Triple Rinse that was conducted on 16/01/2024. • Manuring and SDS training that was conducted on 15/02/2024. <p><u>Lahad Datu POM</u></p> <ul style="list-style-type: none"> • Training for chemical handling that was conducted on 28/02/2024. <p>Precautions attached to products has been properly observed and applied as verified during interview with sampled workers that handle the chemical. During site visit at chemical activities area and chemical store of the visited operating unit, it was found that implementation of the chemical activities is according to the SDS especially for PPE usage and the emergency response. The estate has adequate facilities for mixing of pesticides and cleaning up after work.</p>	Complied

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7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance -</p>	<p>All mill and estates under J.C. Chang Groups adopted with Standard Operating Procedure on Chemical Purchase, Storage, Handling & Disposal of Used Chemical and Container (Doc. Ref. No.: H/005-03/2024; Doc Date: 30/08/2024) to ensure proper and safe handling and storage in accordance to law enforcement and regulatory authorities. The procedure contains the following:</p> <ul style="list-style-type: none">• Purchase of chemical.• Receiving of chemical.• Inventory recording.• Handling and storage.• Used chemical and chemical wastes disposal. <p>During site visit at Lahad Datu POM and Hwa Li 2, it was found the following:</p> <ul style="list-style-type: none">• Stores are locked and only authorized person allowed to enter.• Appropriate safety and warning signage• Original labelling is available for chemical, fertilizer (for Hwa Li 2) and lubricants.• Spill kit is available.• Good ventilation at chemical store. <p>Chemical were mixed in the pre-mixing areas of the store that was locked. Emergency shower and eye wash were available at the pesticides store in case of any accidents happen. The water pressure was noted to be sufficient for such purpose. In addition, Safety Data Sheets (SDS) were available in the stores. The SDS are in English and Bahasa Malaysia.</p>	Complied
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7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p> <p>- Minor compliance -</p>	<p>The Standard Operating Procedure (SOP) for the disposal of pesticide container is mentioned under procedure entitled Standard Operating Procedure on Chemical Purchase, Storage, Handling & Disposal of Used Chemical and Container (Doc. Ref. No.: H/005-03/2024; Doc. Date: 30/08/2024). The section on used chemicals and chemical waste disposal includes details on the triple rinsing procedure.</p> <p>The procedure also states that all chemical containers must be triple rinsed by filling them with 1/5 of their volume with water, thoroughly rinsed, and the rinsate poured into the spraying or recycling tank. This process must be repeated at least three times. No rinsate should be disposed of in drains or anywhere else. After rinsing, the containers should be pierced at the bottom and sides and stored in a locked waste store. Triple-rinsed chemical containers are no longer considered scheduled waste, as confirmed by the relevant authority. However, empty chemical/pesticide containers that have been triple rinsed and perforated are to be disposed of as non-scheduled waste by an approved collector from Department of Agriculture (DOA) guidelines.</p> <p>For Hwa Li 2, the estate has appointed the recycle company, LD Recycle Enterprise which has obtained approval from Department of Agriculture (DOA) to collect recycled chemical container as evidenced in the letter dated 06/04/2023. Sample of record collection of the recycled empty chemical container are as below:</p> <table><tr><th>Date</th><th>Receipt No.</th><th>Quantity</th></tr><tr><td>03/09/2024</td><td>GRN No.: 0900</td><td>49 Kg</td></tr><tr><td>28/08/2024</td><td>GRN No. 0895</td><td>49 Kg</td></tr><tr><td>03/08/2024</td><td>GRN No.: 0866</td><td>69 Kg</td></tr><tr><td>10/06/2024</td><td>GRN No.: 0200</td><td>91 Kg</td></tr></table>	Date	Receipt No.	Quantity	03/09/2024	GRN No.: 0900	49 Kg	28/08/2024	GRN No. 0895	49 Kg	03/08/2024	GRN No.: 0866	69 Kg	10/06/2024	GRN No.: 0200	91 Kg	Complied
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		Receipt and related documents of the collected recycled chemical container were review and verified during the audit. All empty containers, including 20-liter containers and Ally containers, were recorded in the container record book.	
7.2.9	<p>(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.</p> <p>- Critical (Major) compliance -</p>	Hwa Li 2 does not practice aerial spraying for agrochemicals. This was verified through on-site observation during the site visit and worker interviews.	Complied
7.2.10	<p>(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>- Critical (Major) compliance -</p>	<p>All chemical handlers for each operating unit were undergo medical surveillance to ensuring the health and safety of workers exposed to hazardous chemicals. The medical surveillance is conducted in accordance with the Use and Standard of Exposure to Chemical Hazardous to Health (USECHH) Regulations 2000, which is outlined in the Occupational Safety and Health Act (OSHA) 1994. In addition, one of the recommendations from the CHRA report for each operating unit is to conducted medical surveillance to the workers exposed to hazardous chemicals. The results of medical surveillance were as follows:</p> <p><u>Hwa Li 2:</u></p> <p>Medical surveillance was conducted on 10/11/2023 by Occupational Health Doctor (OHD) with DOSH registration no.: HQ/16/DOC/00/557. The result medical surveillance has been acknowledged by the workers as verified during interview with sampled workers during field visit. All workers undergo medical surveillance is fit to continue their work without any abnormal results caused by occupational. In addition, site visit at chemical store, fertilizer store and chemical premix area found that the workers understand and able to demonstrate the used of appropriate PPE for</p>	Complied

		<p>conducting the work related to chemical as recommended in the CHRA report.</p> <p><u>Lahad Datu POM</u></p> <p>Medical surveillance and biological monitoring were conducted on 07/06/2024 by Occupational Health Doctor (OHD) with DOSH registration no.: HQ/16/DOC/00/557 and the result was received on 03/09/2024. Based on the results of medical surveillance, 04 of the workers who undergone medical surveillance are needed for Medical Removal Protection (MRP) due to health hazardous side effect. The conclusion of medical surveillance finding for the workers is unfit until 06/09/2024. The repeat test (urine chromium) for 4 workers will be conducted on 07/09/2024 as evident in the letter from OHD dated 28/08/2024 which accompanies the medical surveillance result report.</p>	
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>- Critical (Major) compliance -</p>	<p>Based on site observation and verification of employee master list medical surveillance reports from the OHD, there is no evidence that work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions.</p>	Complied
Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.			
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>Lahad Datu Palm Oil Mill has conducted waste identification and established management plan as per Guidelines on Wastes and Waste Products Identification and Disposal Plan for Estates and Mill. Refer doc. no. F/007-06/2016 dated 22/12/2016.</p> <p>The waste identification was conducted based on the area waste generated and categorised under scheduled waste on non-scheduled waste.</p> <p>In the management plan stated the Major Waste Identified, Risk, Risk management, Handlings method and disposal plan/mode.</p> <p>An integrated management named Environmental and Social Improvement Plan Period Review: 27/10/2023, next review date: 27/09/2025 has</p>	Complied

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		included the component of waste management plan from source of generation, handling and storage until disposal.											
7.3.2	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated. - Minor compliance -	<p>Procedure of Schedule waste management has been established. Refer Guidelines Wastes and waste products identification and disposal plan for estates and mill. F/007-05/2016 dated 18/08/2016.</p> <p>Labelling of Schedule Waste and Storage was addressed in the Guidelines Schedule Waste Storage & Labelling, F/014-02/2016 dated 01/06/2016. Other than that, refer Guidelines on Scheduled Wastes Labelling, Storage and Documentation, F/014-04/2017 dated 07/01/2017</p> <p>The operating units demonstrated the proper disposal of waste material base on the waste management plan established. Reviewed the implementation of the management plan established as follows:</p> <table><tr><th>Operating unit</th><th>Waste type</th><th>Disposal record</th></tr><tr><td rowspan="3">Lahad Datu POM</td><td>SW322 (spent/obsolete chemical)</td><td>6th schedule, 2024052412VP77ZF (0.1 mt) dated 31/05/2024 Contractor: Lagenda Bumimas Sdn Bhd</td></tr><tr><td>SW410 (used oil filters, rags etc)</td><td>6th schedule, 20240524120MF7TJF (0.02 mt) dated 31/05/2024 Contractor: Lagenda Bumimas Sdn Bhd</td></tr><tr><td>SW409 (used oil/ chemical container)</td><td>6th schedule, 202405241141S6MR (0.099 mt) dated 31/05/2024 Contractor: Lagenda Bumimas Sdn Bhd</td></tr></table>	Operating unit	Waste type	Disposal record	Lahad Datu POM	SW322 (spent/obsolete chemical)	6 th schedule, 2024052412VP77ZF (0.1 mt) dated 31/05/2024 Contractor: Lagenda Bumimas Sdn Bhd	SW410 (used oil filters, rags etc)	6 th schedule, 20240524120MF7TJF (0.02 mt) dated 31/05/2024 Contractor: Lagenda Bumimas Sdn Bhd	SW409 (used oil/ chemical container)	6 th schedule, 202405241141S6MR (0.099 mt) dated 31/05/2024 Contractor: Lagenda Bumimas Sdn Bhd	Complied
Operating unit	Waste type	Disposal record											
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	SW409 (used oil/ chemical container)	6 th schedule, 202405241141S6MR (0.099 mt) dated 31/05/2024 Contractor: Lagenda Bumimas Sdn Bhd											

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		Hwa Li 2 estate	SW305 (used oil/ lubricant)	6 th schedule, 2024072309SH1XYP (1.22 mt) dated 23/07/2024 Contractor: Lagenda Bumimas Sdn Bhd	
			SW409 (used container)	6 th schedule, 2024070609VWZ3AH (0.395 mt) dated 6/07/2024 Contractor: Lagenda Bumimas Sdn Bhd	
			SW410 (used filter)	6 th schedule, 2024070609UK9BR4 (0.1941 mt) dated 6/07/2024 Contractor: Lagenda Bumimas Sdn Bhd	
7.3.3	The unit of certification does not use open fire for waste disposal. - Minor compliance -	No evidence of fire use for waste disposal. Domestic wastes were collected 3 times a week. The collection scheduled were displayed at the housing area. The waste has been disposed at designated landfill located at field PM98B (Hwa Li 2 Estate), PM20A (Gomantong Estate div) Recycle waste such as plastics, bottles and paper were recycled through 3R programme. For the record, plastic recycling was collected by appointed recycler (LD Recycler) on 29/08/24, with the weight of 0.42 mt of plastics bottles. For replanting, the old palms were felled, shredded, windrowed, and left to decompose as sighted at visited field.			Complied
Criterion 7.4: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.					

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7.4.1	<p>Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> <p>- Minor compliance -</p>	<p>The assessed estates continued to use the established SOP as below:</p> <ul style="list-style-type: none"> i) Methods of nutrient assessment for oil palm fertilizer recommendation - B/016-01/2014 ii) Guidelines for Compost Application - B/028-01/2017 iii) Guidelines for Semi-Decomposed EFB Application - B/030-01/2019 iv) SOP-Soil and water conservation - C/002-01/2008) <p>Soil analysis and foliar analysis are monitored on yearly basis by Agronomist. The recommendations for improvements are given to maintain the sustainable practices. They include use of chemical fertilizers, EFB and decanter cake. The visited estates operate in accordance with the Agriculture Manual and standard operating procedures. The practices are consistently monitored by estate operation management and Plantation Controller.</p>	Complied
7.4.2	<p>Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health.</p> <p>- Minor compliance -</p>	<p>JC Chang Group has established Guideline on Guideline for Foliar Sampling, Doc. Ref. No. C/026-01/2017 dated on 31st May 2017. The objective of this guideline is to determine the nutritional status of leaflets of frond no. 9 on immature palms and frond no. 17 on mature palms to assist with the preparation of annual fertilizer program Leaf and soil nutrient analysis are commonly used in the diagnosis of fertilizer requirements in oil palms. The frequency for soil analysis and leaf sampling is conducted annually. The foliar sampling and soil analysis reports by 3rd party accredited (KL-Kepong (Sabah) Sdn Bhd) were available at the estate. The latest record of agronomist leaf sampling and soil sampling dated 1/04/2024 (Ref.KDC/2324(002)/PL/HL2 – soil sampling & ref: KDC/2324(002)/PL/GMT dated 1/04/2024 – foliar sampling) was sighted.</p>	Complied
7.4.3	<p>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.</p>	<p>JC Chang Group has established Guideline Semi-Decomposed EFB Application, Doc. Ref. No. B/023-01/2016 dated on 28th October 2016 and</p>	Complied

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	- Minor compliance -	<div>Guideline for Compost Application, Doc. Ref. No. B/022-01/2016 dated on 28th October 2016.</div> <div>EFB application is in practice as part of nutrient recycling strategy as per company guideline. All EFB were sourced from EFB yard of Lahad Datu POM. The record of EFB application was available for verification as per below:</div> <table><tr><th>Date of application</th><th>Tonne applied</th><th>Hectare covered</th></tr><tr><td>May 2024</td><td>47,62 mt</td><td>1.76 ha</td></tr><tr><td>June 2024</td><td>88.16 mt</td><td>3.15 ha</td></tr><tr><td>July 2024</td><td>132.90 mt</td><td>4.75 ha</td></tr><tr><td>August 2024</td><td>41.63 mt</td><td>1.49 ha</td></tr></table> <div>* Total application per ha: 23.56 tonne/ha</div>	Date of application	Tonne applied	Hectare covered	May 2024	47,62 mt	1.76 ha	June 2024	88.16 mt	3.15 ha	July 2024	132.90 mt	4.75 ha	August 2024	41.63 mt	1.49 ha	
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7.4.4	<div>Records of fertiliser inputs are maintained.</div> <div>- Minor compliance -</div>	<div>Fertilizers were applied as per agronomist recommendation. The records have the information about application date, filed number, dosage applied per palm, type of fertilizer and number of applicators. Types of fertilizer applied were of straight and mixture as per below sample of application:</div> <table><tr><th>Type of fertilizer</th><th>Rec. Application rate</th><th>Rec. Applied volume</th><th>Nos. of bags</th></tr><tr><td>P Mg Mix (14/13)</td><td>2kg per palm</td><td>206.5 mt (completed on 3/7/24)</td><td>413 bags (50 kgs per bag)</td></tr><tr><td>NK Mix (12.6/24)</td><td>2kg per palm</td><td>85 mt (completed on 31/7/24)</td><td>170 bags (50 kgs per bag)</td></tr></table>	Type of fertilizer	Rec. Application rate	Rec. Applied volume	Nos. of bags	P Mg Mix (14/13)	2kg per palm	206.5 mt (completed on 3/7/24)	413 bags (50 kgs per bag)	NK Mix (12.6/24)	2kg per palm	85 mt (completed on 31/7/24)	170 bags (50 kgs per bag)	Complied			
Type of fertilizer	Rec. Application rate	Rec. Applied volume	Nos. of bags															
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NK Mix (12.6/24)	2kg per palm	85 mt (completed on 31/7/24)	170 bags (50 kgs per bag)															
Criterion 7.5: Practices minimise and control erosion and degradation of soils.																		

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7.5.1	<p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Critical (Major) compliance -</p>	<p>Maps identifying marginal and fragile soils, including steep terrain, are available in Hwa Li 2 & Gomantong Division Recon Soil Map and Hwa Li 2 Topography Map. Description of the soil characteristics such as texture, depth, drainage, parent material and key aspect for management was also available. There were no other problem soils (e.g. podzols and acid sulphate soils) in the estates. The soil series in the estates were classified as follows:</p> <table><tr><td>Soil Series</td><td>HA</td><td>%</td></tr><tr><td>Kinabatangan</td><td>819</td><td>27.24</td></tr><tr><td>Kretam</td><td>1268</td><td>42.17</td></tr><tr><td>Lungmanis</td><td>427</td><td>14.20</td></tr><tr><td>Rumidi</td><td>473</td><td>15.73</td></tr><tr><td>Sapi</td><td>20</td><td>0.66</td></tr></table> <p>Steep slope identification for Hwa Li 2 is based on estates map overlapping with the contour map. The identification of steep area in the estate which has been fully developed were done by the management and result tabulated as following:</p> <table><tr><td>No.</td><td>Are/Location</td><td>Steepness</td></tr><tr><td>1</td><td>Hwa Li 2</td><td>7.96°</td></tr><tr><td>2</td><td>Gomantong Division</td><td>9.78°</td></tr><tr><td>3</td><td>Gomantong Division</td><td>12.43°</td></tr></table> <p>Based on the result above, the steepest area was identified at Gomantong Division (12.43°) but still within the permissible limit of 25° slope.</p>	Soil Series	HA	%	Kinabatangan	819	27.24	Kretam	1268	42.17	Lungmanis	427	14.20	Rumidi	473	15.73	Sapi	20	0.66	No.	Are/Location	Steepness	1	Hwa Li 2	7.96°	2	Gomantong Division	9.78°	3	Gomantong Division	12.43°	Complied
Soil Series	HA	%																															
Kinabatangan	819	27.24																															
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No.	Are/Location	Steepness																															
1	Hwa Li 2	7.96°																															
2	Gomantong Division	9.78°																															
3	Gomantong Division	12.43°																															
7.5.2	No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no	There is no extensive replanting conducted on steep slopes. This has been verified through site visit and interview. The estates adopted J.C. Chang’s	Complied																														

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	<p>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>management strategy for planting on slopes in order to minimize and control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by policy procedure below:</p> <ul style="list-style-type: none"> - Environmental Policy dated 12/08/2019. - Guidelines on Road and Terrace Constructions for New Plantings and Replanting (Doc. Ref. No.: A/005-01/2008; Doc. Date: 15/09/2008) - Guideline on Group's Long Term Replanting Planning (Doc. Ref. No.: A/016-11/2024; Doc. Date: 04/01/2024) - Procedure for Palm to Palm Replanting with Example of Risk Assessment and Control (Doc. Ref. No.: A/007-03/2018; Doc. Date: 07/02/2018). <p>It was observed that practices to minimize and control erosion and degradation of soils were in place through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. Cover crops were planted in the replants and in certain mature areas. Legume cover crop (i.e., <i>mucuna bracteate</i>) had been planted along certain slopes by the management.</p>	
7.5.3	<p>There is no new planting of oil palm on steep terrain.</p> <p>- Minor compliance -</p>	<p>Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within Hwa Li 2 estate. The existing estates are maintaining the planted (productive and non-productive) area by practicing replanting method. Therefore, there is no new planting of oil palm on steep terrain practice by the estate.</p>	Complied
<p>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.</p>			

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7.6.1	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>The soil map was available date 20/06/2022. From the map no marginal and fragile soils in estate as per below classification:</p> <table><tr><td>Soil Series</td><td>Hectare</td><td>Percentage (%)</td></tr><tr><td>Kinabatangan</td><td>819</td><td>27.24</td></tr><tr><td>Kretam</td><td>1,268</td><td>42.17</td></tr><tr><td>Lungmanis</td><td>427</td><td>14.20</td></tr><tr><td>Rumidi</td><td>473</td><td>15.73</td></tr><tr><td>Sapi</td><td>20</td><td>0.66</td></tr></table>	Soil Series	Hectare	Percentage (%)	Kinabatangan	819	27.24	Kretam	1,268	42.17	Lungmanis	427	14.20	Rumidi	473	15.73	Sapi	20	0.66	Complied
Soil Series	Hectare	Percentage (%)																			
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Lungmanis	427	14.20																			
Rumidi	473	15.73																			
Sapi	20	0.66																			
7.6.2	<p>Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.</p> <p>- Minor compliance -</p>	<p>Based on soil maps for each estates were available for verification, which source from British Government's Overseas Development Administration (Land Resources Division) United Kingdom, 1974, for the Sabah Governments no fragile soil in sampling estate. There was no marginal nor fragile soil at the sampled estates based on soil series and topography maps. Nonetheless, there is no new planting at all the sampled estates</p>	Complied																		
7.6.3	<p>Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.</p> <p>- Minor compliance -</p>	<p>Based on the Slope Class Map, there was no slope identified as >25 degree as all slopes is within the <15° and 15° - 25° range.</p> <p>Hwa Li 2 estate constructed terraces and stop bunds at the hilly areas as well as establishment of cover crop such as <i>Mucuna bracteata</i> where appropriate, to minimize soil erosion and improve soil quality. Drainage systems and desilting programmed for proper water management were sighted. It was sighted at the replanting area and still in progress of new drains construction for the proper management of water within the estate.</p>	Complied																		
Criterion 7.7: 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>As reported under 7.6.1, no peat soil identified within Hwa Li 2 estate. Thus, this indicator is not applicable.</p>	Not Applicable																		

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	- Critical (Major) compliance -		
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:</p> <p>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>	As reported under 7.6.1, no peat soil identified within Hwa Li 2 estate. Thus, this indicator is not applicable.	Not Applicable
7.7.3	<p>(C) Subsidence of peat is monitored, documented and minimised.</p> <p>- Critical (Major) compliance -</p>	As reported under 7.6.1, no peat soil identified within Hwa Li 2 estate. Thus, this indicator is not applicable.	Not Applicable
7.7.4	<p>(C) A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p>	As reported under 7.6.1, no peat soil identified within Hwa Li 2 estate. Thus, this indicator is not applicable.	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 phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation. This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p>	As reported under 7.6.1, no peat soil identified within Hwa Li 2 estate. Thus, this indicator is not applicable.	Not Applicable

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	<p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (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>- Critical (Major) compliance -</p>	As reported under 7.6.1, no peat soil identified within Hwa Li 2 estate. Thus, this indicator is not applicable.	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>- Critical (Major) compliance -</p>	As reported under 7.6.1, no peat soil identified within Hwa Li 2 estate. Thus, this indicator is not applicable.	Not Applicable
Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.			
7.8.1	<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>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p>Water management plan has been established and documented under Water Management Plan – Lahad Datu POM, date of review: 4/01/2024, next review date: 4/01/2025</p> <p>Water management 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. Access to clean water is adequately provided to workers for household consumption. Water quality analysis has been conducted at estates and mill. Site visit all sampling points were maintained and</p>	Complied

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		<p>completed with proper signage. Water sampling report for (domestic and surface water) as below:</p> <p>Domestic water analysis report (6 monthly)</p> <table><tr><th>Operating unit</th><th>Analysis report</th><th>Result</th></tr><tr><td rowspan="2">Lahad Datu POM (source of treated water shared with Hwa Li 2 estate)</td><td>Cert no. W240607-04B-0 dated 28/06/2024 Lab ref.: W240607/04B</td><td>All parameter tested comply with DWQS. No detection of E-coli and total coliforms recorded.</td></tr><tr><td>Cert no. W240117-02B-0 dated 03/01/2024 Lab ref.: W240117/02B</td><td>All parameter tested comply with DWQS except for Manganese limit exceeded (0.106 mg/l vs 0.1 mg/l DWQS). No detection of E-coli and total coliforms recorded. Refer to indicator 3.4.2 for further details.</td></tr></table> <p><i>*National Standard for Drinking Water Quality, 2nd version January 2004 (MOH, Malaysia)</i></p>	Operating unit	Analysis report	Result	Lahad Datu POM (source of treated water shared with Hwa Li 2 estate)	Cert no. W240607-04B-0 dated 28/06/2024 Lab ref.: W240607/04B	All parameter tested comply with DWQS. No detection of E-coli and total coliforms recorded.	Cert no. W240117-02B-0 dated 03/01/2024 Lab ref.: W240117/02B	All parameter tested comply with DWQS except for Manganese limit exceeded (0.106 mg/l vs 0.1 mg/l DWQS). No detection of E-coli and total coliforms recorded. Refer to indicator 3.4.2 for further details.	
Operating unit	Analysis report	Result									
Lahad Datu POM (source of treated water shared with Hwa Li 2 estate)	Cert no. W240607-04B-0 dated 28/06/2024 Lab ref.: W240607/04B	All parameter tested comply with DWQS. No detection of E-coli and total coliforms recorded.									
	Cert no. W240117-02B-0 dated 03/01/2024 Lab ref.: W240117/02B	All parameter tested comply with DWQS except for Manganese limit exceeded (0.106 mg/l vs 0.1 mg/l DWQS). No detection of E-coli and total coliforms recorded. Refer to indicator 3.4.2 for further details.									
7.8.2	<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</p>	<p>Carotino/JC Chang Group has established Guideline On Establishment of Riparian Buffer Zone, doc ref: C/001-03/2019 dated 27/4/2019. Maintenance of riparian river buffer along Sg Koyah, protecting the water courses, including maintaining appropriate riparian buffer zones along the natural waterways was sighted. The width of the buffer allocated was 20 metres. The buffer zone were demarcated by the marking to indicate the boundary of the buffer zones. Approximately 2 hectares have been</p>	Non-compliance								

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	<p>of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>allocated as buffer zones. However for the maintenance of man-made/artificial drain, the following issue was sighted:</p> <p>Observed at field PM16A, the manmade drain connected to the nearby outlet (W4 - outlet to Linddale) has been maintained and upkeep using chemical application. As required under 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017), weeding and spraying of chemicals should be avoided close to the waterway. Guideline On Establishment of Riparian Buffer Zone, doc ref: C/001-03/2019 dated 27/4/2019 did not clearly mentioned on manmade/artificial drainage management and only cover for river protection. Thus, a major NC was issued.</p>																		
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>POME is treated through combine methane capturing plant and series of anaerobic and aerobic treatment lagoon/ponds. Regular monitoring was conducted as per requirement. Monthly and quarterly reports were submitted to DOE accordingly. Reviewed the Quarterly Return Form to DOE as follows:</p> <table><tr><th>Review period</th><th>Quarter/Week</th><th>BOD (Limit=20 mg/L)</th></tr><tr><td rowspan="3">1st quarter of 2024</td><td>1st week/1st month</td><td>16</td></tr><tr><td>5th week/2nd Month</td><td>11</td></tr><tr><td>9th week/3rd Month</td><td>15</td></tr><tr><td rowspan="3">2nd quarter of 2024</td><td>1st week/1stmonth</td><td>4.6</td></tr><tr><td>5th week/2nd Month</td><td>6.3</td></tr><tr><td>9th week/3rd Month</td><td>15.0</td></tr></table>	Review period	Quarter/Week	BOD (Limit=20 mg/L)	1 st quarter of 2024	1 st week/1 st month	16	5 th week/2 nd Month	11	9 th week/3 rd Month	15	2 nd quarter of 2024	1 st week/1 st month	4.6	5 th week/2 nd Month	6.3	9 th week/3 rd Month	15.0	Complied
Review period	Quarter/Week	BOD (Limit=20 mg/L)																		
1 st quarter of 2024	1 st week/1 st month	16																		
	5 th week/2 nd Month	11																		
	9 th week/3 rd Month	15																		
2 nd quarter of 2024	1 st week/1 st month	4.6																		
	5 th week/2 nd Month	6.3																		
	9 th week/3 rd Month	15.0																		

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		Lahad Datu POM discharge POME to water ways after treatment as per “Jadual Pematuhan” No:005291. Signage on “Takat Pelepasan” was maintained at Mill has conducted water sampling at final discharge.							
7.8.4	Mill water use per tonne of FFB is monitored and recorded. - Minor compliance -	<div>Mill has maintained monitoring of water usage for processing FFB which are recorded monthly. Water for processing is abstracted from water catchment by using pump. The trend of water usage is tandem with volume of FFB process. Refer Water Usage Record Asia POM. Average data as below:</div> <table><tr><td>FY2023/2024</td><td>FFB Processed, MT</td><td>Water/FFB (mt/m³)</td></tr><tr><td>Oct23 – Aug24</td><td>70,923.05</td><td>1.06</td></tr></table> <div>Baseline is set at 1:1 ratio in ideal condition. Mill has just re-commission back in October 2023.</div>	FY2023/2024	FFB Processed, MT	Water/FFB (mt/m³)	Oct23 – Aug24	70,923.05	1.06	Complied
FY2023/2024	FFB Processed, MT	Water/FFB (mt/m³)							
Oct23 – Aug24	70,923.05	1.06							
Criterion 7.9: Efficiency of fossil fuel use and the use of renewable energy is optimised									
7.9.1	A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented. - Minor compliance -	<div>Management Plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented in Environmental and Social Improvement Plan for Estates, Period Reviewed: 10/08/2022 – 17/08/2024. Among plan related to energy was:</div> <div><div>1. Identified the strategic location for fixing the solar system</div><div>2. Daily running hours and fuel consumption are properly recorded and monitored by management.</div><div>3. Monthly services were carried out as per schedule and documented</div></div> <div>Hwa Li 2 estate’s diesel utilisation for the period of July 2023 to June 2024 (financial year 2023/2024) recorded at 200,181 litre with 29,972.17 mt of FFB produced. Ratio of 6.67 litre per tonne FFB recorded for the last financial year. Monitoring of Fuel usage litre per MT FFB was monitored with Baseline in the budget.</div>	Complied						

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		For renewable energy monitoring, a ratio of kWh (turbine) per CPO is being monitored. Since re-commissioning of mill in October 2023, total of 2,112,320.99 kWh with 14,239.90 of CPO produced recorded at 66.25 kWh/CPO ratio.	
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.			
7.10.1	(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. - Critical (Major) compliance -	Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Water samples were regularly taken every month and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements at final discharge points. Monitoring of the GHG quantity was done through RSPO PalmGHG Calculator Version 4.0 which is submitted to the RSPO Secretariat. Based on verification of various record, the data in the RSPO PalmGHG Calculator was correct. The operating units has established plan for efficiency of the use of fossil fuels documented in Environmental and Social Improvement Plan.	Complied
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). - Critical (Major) compliance -	No new development within Lahad Datu POM certification unit	Complied
7.10.3	(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored. - Critical (Major) compliance -	Significant pollutants identification was conducted during environmental impact assessment and plans are documented in Environmental and Social Improvement Plan. Implementation of plan is being monitored by appointed	Complied

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		person in charge with target of time frame for completion. Latest stack emission monitoring reported as per below: <table><tr><td>Year</td><td>Stack sampling</td><td>Results vs limit</td></tr><tr><td>2024</td><td>Iso kinetic sampling by Hypergreen Instrument Sdn Bhd ref: LDPOM/ST-B2/2024 Date of monitoring: 23/02/2024</td><td>Dust/particulate: 126 mg/m³ vs 150 mg/m³ CO: 274.19 mg/m³ vs 1000 mg/m³</td></tr></table>	Year	Stack sampling	Results vs limit	2024	Iso kinetic sampling by Hypergreen Instrument Sdn Bhd ref: LDPOM/ST-B2/2024 Date of monitoring: 23/02/2024	Dust/particulate: 126 mg/m ³ vs 150 mg/m ³ CO: 274.19 mg/m ³ vs 1000 mg/m ³	
Year	Stack sampling	Results vs limit							
2024	Iso kinetic sampling by Hypergreen Instrument Sdn Bhd ref: LDPOM/ST-B2/2024 Date of monitoring: 23/02/2024	Dust/particulate: 126 mg/m ³ vs 150 mg/m ³ CO: 274.19 mg/m ³ vs 1000 mg/m ³							
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. - Critical (Major) compliance -	For new planting and replanting land preparation JC Chang Group has established SOP documented in Guideline on Group's Long Term Replanting Program, ref. doc. no A/016-09/2022 dated 19/01/2022	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 -	JC Chang Group has established fire prevention and control measures documented in Guidelines on Fire Prevention, Control and Stakeholder Engagement. Refer doc.no. M/017-03/2020 dated 17/01/2020.	Complied						
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance -	The certification unit engages the fire prevention and control measures with the adjacent stakeholders during stakeholders' consultation. The consultation was conducted through official letter, meeting or visit to the stakeholders' estate/office/house. Latest engagement was carried out during stakeholder consultation meeting on 20/07/2023.	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	(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.	The oldest palm cultivated was in 1994 (based on SEIA dated 9/03/2023 and HCV report dated 17/02/23) and no land clearing since November 2005. Thus, this indicator is not applicable.	Not Applicable						

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	A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document. - Critical (Major) compliance -		
7.12.2	<p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>a) 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>b) 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). - Critical (Major) compliance -</p>	<p>An initial HCV assessment (non-ALS HCV) was carried out by Wild Asia for Hwa Li 2 estate. The scope of this HCV report includes the Hwa Li 2 Division, Gomantong Division where both plots are fully planted with oil palm prior 2005 and the Lahad Datu Palm Oil Mill, which is currently not in operation. These three (3) entities within the Area of Interest (AOI) are referred to as the "Assessment Area (AOI)". Wild Asia conducted a full HCV assessment on all of these business units which consist of existing oil palm plantations with a total size area of 3,007 ha. The plots are registered under land title numbers CL095327218 and CL095310731. Reported under Table 9: Summary of findings - potential HCVs in the assessment area, 2 types of HCVs present (HCV 1 & 3 – HCVMA on wider landscape or external HCV), 1 potentially present HCV4 were identified.</p> <p>Based on HCV assessment by Wild Asia dated 17/02/2023, HCV3 (endangered ecosystem) has been identified and present within Hwa Li 2 estate. Further clarification should be made with the assessor to confirm the affected area where 1.12 ha of riparian zone exclusion in the estate's area statement categorized as HCV3 or not. Hence Opportunity for Improvement is raised against this indicator.</p>	OFI
7.12.3	<i>Indicator is not applicable in Malaysia context</i>	Not Applicable	Not Applicable
7.12.4	<p>(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</p>	<p>Based on HCV assessment by Wild Asia dated 17/02/2023, Summary of findings - potential HCVs in the assessment area, 2 types of HCVs present (HCV 1 & 3 – HCVMA on wider landscape or external HCV), 1 potentially present HCV4 were identified.</p>	OFI

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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). - Critical (Major) compliance -	HCV Management and monitoring plan has been established in the HCV assessment. Refer Management Plan and Propose Action Plan		
	Values identified	Management areas and prescriptions	Monitoring recommendations/manage ment plan
	HCV1: Species Diversity	<p>Recommended to maintain a Biodiversity Management Zone along the boundary of the assessment area.</p> <p>Management Prescriptions</p> <p>i) Within the Biodiversity Management Zone</p> <ul style="list-style-type: none">- Demarcate the zone on maps, mark in the field and ensure do's and don'ts in the zone are clearly presented.- To highlight important HCVs species present- No spraying or no use of chemicals.- No hunting, trapping or other negative activities that impact the wildlife.	<p>Frequent checking (during muster) with workers on recent sightings and providing a clear platform for them to inform the superior.</p> <ul style="list-style-type: none">• Maintenance of wildlife sightings log book.• Clear and informative posters, flyers, or any kind of information must be visibly presented in common space.• Patrolling around the high risk areas such as the Assessment Area (AOI)- TKLR and the Assessment Area (AOI)- riparian border.• Actual boundary to be defined and demarcated to ensure no

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			<ul style="list-style-type: none"> - Reduced impact harvesting operations (control clearance of cover crops) that might affect the wildlife refuge. - Reduced ground story vegetation management <ul style="list-style-type: none"> - some cutting allowed for access to palms, palm circle, etc., but generally let the ground cover develop. - For the BMZ, specific signage relating to HCV values and no access to neighbouring land need to be erected. <p>ii) Entire management unit</p> <ul style="list-style-type: none"> - No collection or hunting of HCV 1 or any other wildlife species without permit. - No felling or removal of large trees and forest fruit trees important as food sources for HCV 1 species within the assessment area (AOI). 	<p>encroachment into the TKLR land.</p> <p>Recommend the implementation of Biodiversity Management Zone 1 from the TKLR- AOI road and within the AOI, with appropriate signage to promote 'no hunting', 'no chemical applications' and 'no disturbances'."</p> <ul style="list-style-type: none"> • Discussion with the Department of Agriculture, Kinabatangan on how to manage the protection of the area. • Discussion with close neighbours, for instance with smallholders on potential threats posed to the HCV 1 species and effective way to manage the border, especially for those that are situated adjacent to the TKLR. 	
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			- In the entire management unit, especially BMZ, regular monitoring of wildlife sightings are encouraged, such as nocturnal transients in vehicles		
		HCV 3: endangered ecosystem	<p>i) Forest habitat: Tenagang Koyah Land Reserve boundary including Bukit Kopi (the highest point close to Kinabatangan Wildlife Sanctuary): The area is critical for stopover and foraging area for migratory birds, large mammals (i.e.: orangutan), which is at the same time presumed to be the only remaining natural areas in between the vast area of oil palm plantations and nearest protected areas. There are signs of illegal dumping of waste around the border, especially areas that are close to the main road, and external communities</p>	<ul style="list-style-type: none"> • Visible signage along the road, boundary of TKLR Hwa Li 2 (including Gomantong division) and the river area. • Recommend the implementation of a strict Biodiversity Management Zone2 from TKLR boundary into Assessment Area (AOI) with restricted activities. • Discussion with Agriculture Department Sabah (Kinabatangan) on how to improve and manage protection of the area. • Discussion with close neighbours, i.e.: smallholders, on 	

			<p>around Gomantong Division.</p> <p>ii) Riparian habitat: The riverine ecosystem (Sg. Koyah) which is included in the AOI (about 200 m inside the Assessment Area, AOI boundary) also pose to be areas that could be threatened from oil palm expansion, discharges and serves as important river that connect to the downstream part of Kinabatangan River system, which holds significance importance of fish biodiversity</p> <p>Management prescription</p> <p>i) Within Biodiversity Management Zone</p> <ul style="list-style-type: none"> - Demarcate the zone on maps, mark in the field and ensure do's and don'ts in the zone are clearly presented. - Erect signage to explain why the zones are set up 	<p>potential threats posed to the endangered ecosystem and effective way to manage the border, especially for those that are situated adjacent to the Tenagang Koyah Land Reserve.</p>	
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			<p>and to highlight important HCVs present.</p> <ul style="list-style-type: none"> - No spraying/ no use of chemicals - Reduced impact harvesting operations (control clearance of cover crops) - Reduced ground story vegetation management <ul style="list-style-type: none"> - some cutting allowed for access to palms, palm circle, etc., but generally let the ground cover develop. - No land expansion/ encroachment to the forest of TKLR. - For the BMZ, specific signage relating to HCV values and no access to neighbouring land need to be erected. - In BMZ, regular monitoring of wildlife sightings is encouraged, such as nocturnal transients in vehicles. 		
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			<p>ii) Within the riparian buffer</p> <ul style="list-style-type: none">- Demarcate the zone on maps, mark in the field and ensure do's and don'ts in the zone are clearly presented- Erect signage to explain why the zones are set up and to highlight prohibited activities in the zone.- No spraying/ no use of chemicals- Diversify tree species: planting of large and different species trees, especially, native, fruit trees are encouraged to provide resources for wildlife, improve the vegetation banks, provide refugia for wildlife and act as a form of protection for soil and water conservation.- Ground cover (leaf litters and old woods) shall be		
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			<p>maintained and not removed.</p> <p>iii) Entire management unit</p> <ul style="list-style-type: none"> - Consider expansion and joint cooperation with neighbouring estates, aiming for larger riparian reserves. - Frequent dialogues or establishing systems to discuss the issues related to the environmental, biodiversity and social aspects that will be impacted from potential threats posed by the plantations' operations to the endangered ecosystems 		
			<p>HCV Monitoring was conducted by the management units as below:</p> <p>i) Wildlife monitoring records (monthly): June – August 2024 (no sighting of endangered species reported, only a few LC (least concern IUCN status recorded)</p> <p>ii) Patrolling records (monthly): June – August 2024 records sighted. Criteria of checklist as per below:</p> <ul style="list-style-type: none"> - Open burning near to the HCV area 		

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		<ul style="list-style-type: none"> - Chemical spills/application - Usage of chemical/fertilizer - Encroachment/illegal activities - Logging/felling of trees - Signage (no open burning, no hunting of RTE) <p>The records shown no negative issues reported during the said review period.</p> <p>To expedite the establishment of Biodiversity Management Area (BMZ) from TKLR boundary into Assessment Area (AOI) as recommended by assessor to cover the HCVMA on wider landscape for further monitoring in future. Opportunity for Improvement is raised against this indicator.</p>	
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 -	The audit findings have confirmed that there is no new HCVs, HCS forests peatland and other conservation areas been identified after 15 Nov 2018 in sample estates. Verified that there is no issue on land right that involved the local communities for Hwa Li 2 estate.	Complied
7.12.6	All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species. - Minor compliance -	A programme to regularly educate the workforce about the status of RTE species is in place. As HCV1 on wider landscape (HCVMA) has been identified, regular training for the workforce and was carried out frequently during muster ground and annual training programme. Latest training programme for HCV and RTE was carried out on 17/08/2023 which to emphasis on educating the importance of protecting the HCV and RTE species. Related appropriate disciplinary measures will be taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade,	Complied

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		possess or kill these species. Sighted muster ground briefing dated 14/07/24 on the HCV and RTE topic as a reminder on regular basis.	
7.12.7	The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. - Minor compliance -	It has been confirmed that there is no new HCVs, HCS forests peatland and other conservation areas been identified after 15 Nov 2018 in Hwa Li 2 estate. The monitoring of identified HCVs and RTE was carried out as per assessor's recommendation in HCV assessment report by Wild Asia dated 7/02/2023. Outcomes of the monitoring are fed back into the management plan in the next review. HCV management plan dated 25/3/2024 is referred to and the next review scheduled on 25/4/2025.	Complied
7.12.8	(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies. - Critical (Major) compliance -	It has been confirmed that there is no new HCVs, HCS forests peatland and other conservation areas been identified after 15 Nov 2018 in Hwa Li 2 estate. Verified that there is no land clearing in Hwa Li 2 after the cut-off date thus the Remediation and Compensation process was not applicable.	Not Applicable

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Appendix B: GHG Reporting Executive Summary

The GHG emissions that were produced in **2023** for **LAHAD DATU POM** and supply base was calculated using the PalmGHG Calculator version 3.0.1. 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 **2023** for **LAHAD DATU POM** and supply base are as following:

Emission per product	tCO ₂ e/tProduct	Extraction	%
CPO	2.68	OER	20.08
PKO	0.00	KER	4.65

Production	t/yr	Land Use	Ha
FFB Process	56,944.25	OP Planted Area	6,193.39
CPO Produced	11,433.67	OP Planted on peat	0.00
PKO Produced	0.00	Conservation (forested)	0.00
		Conservation (non-forested)	96.83
		Total	6,290.22

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	7,454.60	0.25	10,574.48	39.85	0.00	0.00	18,029.08	40.10
CO ₂ Emission from fertilizer	1,998.23	0.07	13,187.98	49.69	0.00	0.00	15,186.21	49.76
NO ₂ Emission	1,802.80	0.06	11,743.03	44.25	0.00	0.00	0.00	44.31
Fuel Consumption	415.36	0.01	334.49	1.26	0.00	0.00	13,545.84	1.27
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	749.85	0.00
Sink								
Crop Sequestration	-6,015.91	-0.20	-10,021.35	-37.76	0.00	0.00	-16,037.27	-37.96
Conservation Sequestration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	5,655.07	0.19	25,8181.63	97.29	5,074.27	0.00	36,547.98	97.48

**Note: Includes both estates and smallholders*

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Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	0.00	0.00
Fuel Consumption	1,218.19	0.02
Grid Electricity Utilization	0.00	0.00
Credit		
Export of Grid Electricity	0.00	0.00
Sales of PKS	-56.01	0.00
Sales of EFB	0.00	0.00
Total	1,162.18	0.02

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	0.00
PK from other source	0.00
Fuel Consumptions	0.00
Total Crusher emissions	0.00

*This mill has no kernel crusher operation.

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

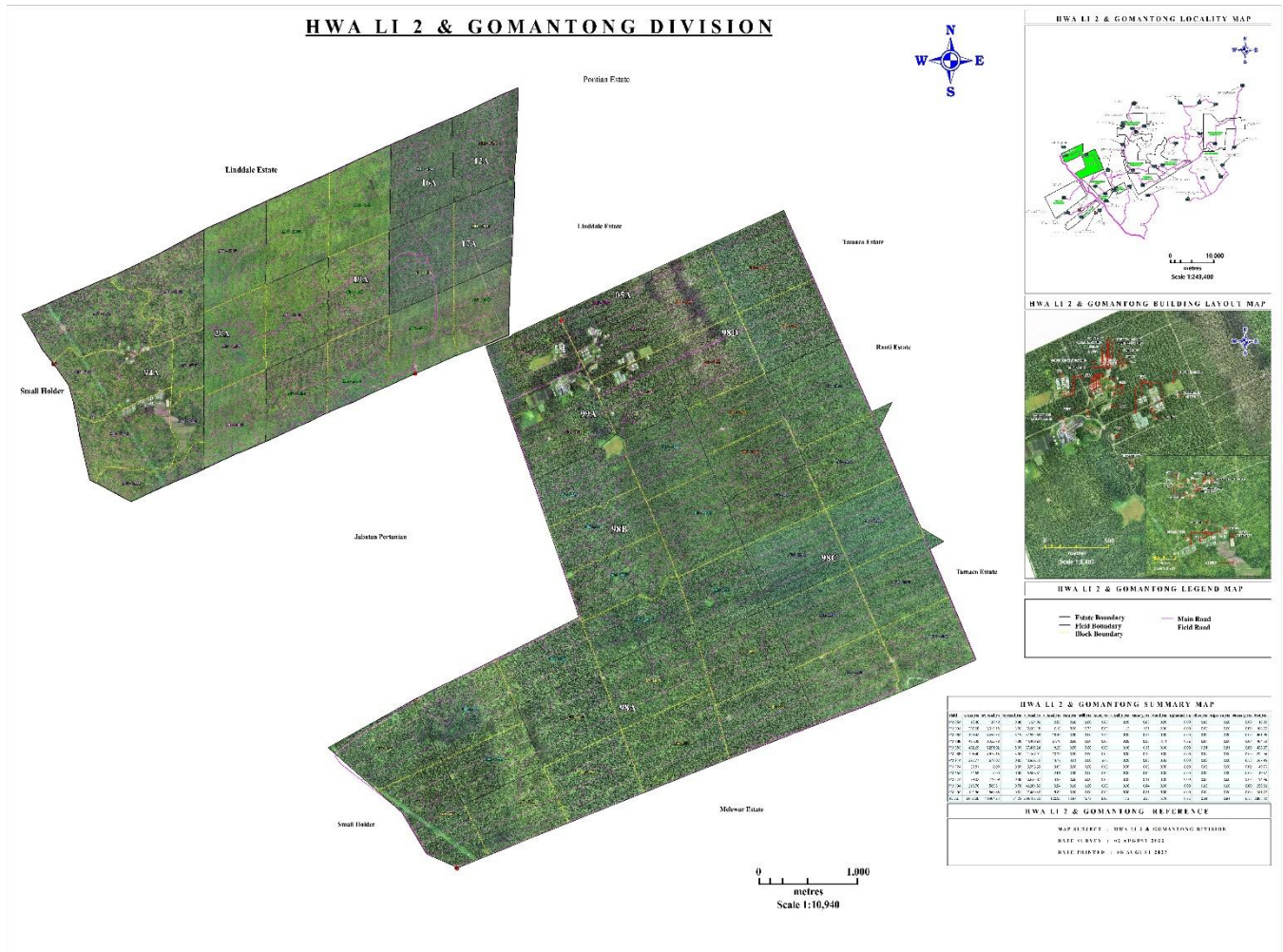
POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	50
Divert to methane captured (flaring) (%)	50
Divert to methane captured (energy generation) (%)	0

Appendix C: Location Map of Certification Unit and Supply bases



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Appendix D: Estate Field Map



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Appendix E: List of Smallholder Registered and/or sampled

Sampling Group	Current Certification	Scope Extension	Other:
Risk Factor Applied	N/A	N/A	N/A
Justification of Risk Factor Applied			
Number of samples			
Remarks			

No	Name of farmer	Location	GPS Reference		Area Summary (Ha)		Forecasted annual FFB Production (MT)	Date of joining	Smallholder ID
			Latitude (N)	Longitude (E)	Total Certified Area	Planted Area			
Not Applicable									
Total									
Note: * are smallholders sampled in this audit.									

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Appendix F: 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
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
ISS	Independent Smallholder Standard
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