

**RSPO PRINCIPLE AND CRITERIA
PUBLIC SUMMARY REPORT**

- Initial Assessment
- Annual Surveillance Assessment (2_2)
- Recertification Assessment (Choose an item.)
- Extension of Scope

Client Company name (Parent Company): J.C Chang Holdings Sdn. Bhd
Client company Address: Unit 30-01, Level 30, Menara Landmark, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor, Malaysia
Certification Unit: Carotino Palm Oil Mill (Carotino Production Unit)
Location of Certification Unit: PT 116, Lot No. 3840, Mukim Ulu Lepar, 26500 Kuantan, Pahang, Malaysia
Date of Final Report: 22/06/2022

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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)	Carotino Palm Oil Mill (Carotino Production Unit)		
Location / Address	PT 116, Lot 3840, Mukim Ulu Lepar, 26500 Kuantan, Pahang, Malaysia.		
Website	www.carotino.com		
Management Representative	Mr Seow Chee Chiang	E-mail	seowcc@jcc.com.my
Telephone	+607 2231633 (Head Office) +607-223 1633 (Mill)	Facsimile	+607 224 1546 (Head Office) +607-223 1546 (Mill)

2. Certification Information			
Certificate Number	RSPO 649410	Certificate Start Date	27/04/2020
Date of First Certification	27/04/2010	Certificate Expiry Date	26/04/2025
Scope of Certification	Production of Palm Oil and Palm Kernel		
Visit Objectives	1) Determination of the conformity of the client's management system, or parts of it, with audit criteria. 2) 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 type="checkbox"/> Initial Assessment <input checked="" type="checkbox"/> Annual Surveillance Assessment (ASA 2_2) <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 type="checkbox"/> RSPO P&C 2018 for the Production of Sustainable Palm Oil <input checked="" type="checkbox"/> Malaysia National Interpretation 2019 for RSPO P&C 2018 for the Production of Sustainable Palm Oil		
Supply Chain Module	<input checked="" type="checkbox"/> Identity Preserved; <input type="checkbox"/> Mass Balance	Mill Capacity	60mt/hr
ISH certification Phase	<input type="checkbox"/> Eligibility <input type="checkbox"/> Milestone A <input type="checkbox"/> Milestone B <input checked="" type="checkbox"/> Not Applicable		

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3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
500450685 MSPO	MS2530-3:2013 MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders & MS2530-4:2013 MSPO Part 4: General Principles for Palm Oil Mills	DQS Certification (M) Sdn Bhd	08/10/2025
EU-ISCC-Cert-DE119-60211376	ISCC	ASG cert GmbH	04/10/2022

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base / Group Manager / Smallholders)	Location	GPS Coordinates	
		Latitude	Longitude
Carotino POM	PT 116, Lot No. 3840, Mukim Ulu Lepar 26500 Kuantan, Pahang	3° 48' 35.70" N	102° 49' 15.60" E
Asia Oil Palm Estate 1	PT 116, Lot No. 3840, Mukim Ulu Lepar, 26500 Kuantan, Pahang	3° 49' 40.30" N	102° 47' 50.00" E
Hwa Li Estate 1	LOT 51, 52, 53, 54, 55, 56, 415, 406, 513, 523, 524 ,317, 318, Mukim Keratong, Rompin, Pahang	2° 44' 40.74" N	103°01' 59.41" E
Hwa Li Estate 2	Lot 2389, Mukim Bera, Bera, Pahang	2° 50' 43.25" N	102° 43' 29.21" E
Maran Estate	Lot 929, 6460, 245, 351, 957, 930, Mukim Lepar, Kuantan, Pahang	3° 44' 31.28" N	102° 50' 42.93" E
Pahang Oil Palm Estate 1	Lot No 23604, 23605, 23600, 23601, 23602, 23603, 23606, 23607, & 23608, Mukim Ulu Lepar-Kuantan Pahang	3° 49' 40.30" N	102° 47' 50.00" E

5. Description of Supply Base					
New Planting Development	<input checked="" type="checkbox"/> No (no change in total planted area)		<input type="checkbox"/> Yes (please refer to Principle 7 for details)		
Estate / Smallholders	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Asia Oil Palm Estate 1	1,948.71	0	218.71	2,167.42	89.91%
Hwa Li Estate 1	1,929.74	0	227.66	2,157.40	89.45%
Hwa Li Estate 2	1,509.09	0	150.12	1,659.21	90.95%
Maran Estate	1,786.27	0	334.13	2,120.40	84.24%

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Pahang Oil Palm 1	1,835.21	0	317.89	2,153.10	85.24%
Total	9,009.02	0	1,248.51	10,257.53	87.83

Note : There changes of hectarage for Maran Estate compare to last year total 20.42 due to previously, temporary land title been used. Land survey conducted in year 2021 and confirmation has been made from Kuantan Land office.

6. Plantings & Cycle

Estate / Smallholders	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Asia Oil Palm Estate 1	0	137.50	995.40	815.81	0	1,948.71	0
Hwa Li Estate 1	0	435.89	868.86	624.99	0.00	1,929.74	0
Hwa Li Estate 2	0	760.40	0	0	748.69	1,509.09	0
Maran Estate	113.98	1,141.84	530.45	0	0	1,672.29	113.98
Pahang Oil Palm 1	0	112.84	1,414.52	307.85	0	1,835.21	0
Total (ha)	113.98	2,588.47	3,809.23	1,748.65	748.69	8,895.04	113.98

Note: Total 113.98 Ha replanting has been done in Maran Estate in year 2021.

7. Summary of Certified Tonnage of FFB (Own Certified Scope)

Estate / Smallholders	Tonnage / year			
	Estimated last year (Apr'21- March'22)	Actual (Jan'21 – Dec'21)		Forecast (Apr'22- Mar'23)
		Previous license period (Jan'21-Mar'21)	Current license period (Apr'21-Dec'21)	
Asia Oil Palm Estate 1	44,407.12	8,797.47	29,471.99	44,162.65
Hwa Li Estate 1	18,088.24	3,049.71	7,182.65	35,245.76
Hwa Li Estate 2	10,948.03	445.68	10,526.01	12,185.21
Maran Estate	30,997.21	5,288.42	26,453.65	32,517.89
Pahang Oil Palm 1	40,040.96	7,229.04	29,431.66	41,063.77
Total	144,481.56	127,876.28		168,175.28

8. Summary of Certified Tonnage of FFB (from other certified unit(s))

Estate / Smallholders	Tonnage / year			
	Estimated last year (Apr'21- March'22)	Actual (Jan'21 – Dec'21)		Forecast (Apr'22- Mar'23)
		Previous license period (Jan'21-Mar'21)	Current license period (Apr'21-Dec'21)	
N/A		N/A	N/A	

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Total	N/A
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9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)

Out growers / smallholders	Tonnage / year			
	Estimated last year (Apr'21- March'22)	Actual (Jan'21 – Dec'21)		Forecast (Apr'22- Mar'23)
		Previous license period (Jan'21-Mar'21)	Current license period (Apr'21-Dec'21)	
N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A		N/A

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	Jan 2021	8,166.50	-	8,166.50
2	Feb 2021	7,764.62	-	7,764.62
3	March 2021	8,879.20	-	8,879.20
4	April 2021	10,460.48	-	10,460.48
5	May 2021	10,523.41	-	10,523.41
6	June 2021	11,479.15	-	11,479.15
7	July 2021	11,135.53	-	11,135.53
8	August 21	12,849.64	-	12,849.64
9	Sept 2021	11,016.93	-	11,016.93
10	Oct 2021	11,908.59	-	11,908.59
11	Nov 2021	13,161.98	-	13,161.98
12	Dec 2021	10,530.25	-	10,530.25
TOTAL		127,876.28	-	127,876.28

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10. Summary of Certified Tonnage (not applicable for ISS)			
Estimated last year (Apr'21- March'22)	Actual (Jan'21 – Dec'21)		Forecast (Apr'22- Mar'23)
	Previous license period (Jan'21-Mar'21)	Current license period (Apr'21-Dec'21)	
FFB	FFB		FFB
144,481.56 mt	23,810.32 mt	103,065.96 mt	165,175.28 mt
	126,876.28 mt		
CPO (OER: 20.53%)	CPO (OER: 20.19 %)		CPO (OER:20.62%)
29,777.97 mt	4,843.38 mt	20,978.39 mt	34,065.46 mt
	25,821.77 mt		
PK (KER: 5.30%)	PK (KER: 4.47%)		PK (KER:5.12%)
7,306.45 mt	1,167.25 mt	4,546.50 mt	8,460.95 mt
	5,713.75 mt		

10A. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Jan 2021	1,514.74	387.88
2	Feb 2021	1,562.69	360.03
3	March 2021	1,765.94	419.34
4	April 2021	2,052.71	487.79
5	May 2021	2,079.68	458.28
6	June 2021	2,388.79	488.64
7	July 2021	2,222.95	477.099
8	August 21	2,687.08	596.91
9	Sept 2021	2,331.81	493.29
10	Oct 2021	2,506.21	502.63
11	Nov 2021	2,667.73	561.11
12	Dec 2021	2,041.44	480.75
	TOTAL	25,821.77	5,713.75

11. Summary of Actual Volume sold					
Current License period (Apr'21-Dec'21)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		

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CPO (MT)	10,583.57	39.25	-	-	10,622.82
PK (MT)	2,574.08	-	-	-	2,574.08
Credits	-	-	-	-	-
Previous License period (Jan'21-Mar'21)					
CPO (MT)	13,560.54	874.18	-	-	14,434.72
PK (MT)	3,088.84	-	-	-	3,088.84
Credits	-	-	-	-	-

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	CAROTINO SDN BHD	RSPO_PO1000000034	18677.23	-
2	CAROTINO SDN BHD	RSPO_PO1000005894	5466.88	-
3	PGEO MILL SDN BHD	RSPO_PO1000002945	-	3480.47
4	SANG KEE EDIBLE OIL SDN BHD	RSPO_PO1000001551	-	2182.45
TOTAL			24,144.11	5,662.92

11B. Records of CPO & PK Sold under other schemes since the last audit (if any)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
1	PGEO EDIBLE OIL	ISCC	39.28	-
2	CAROTINO SDN BHD	ISCC	874.18	-
TOTAL			913.43	

11C. Records of CPO & PK Sold as conventional since the last audit (if any)			
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
	N/A	N/A	N/A
TOTAL		N/A	N/A

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 (mt)
	N/A	N/A	N/A
TOTAL			N/A

12. Independent Smallholders Certified Tonnage / Volume									
Phase	Estimated last year <i>(key in period)</i>			Actual <i>(key in period)</i>			Forecast <i>(key in period)</i>		
	Eligibility	MS A	MS B	Eligibility	MS A	MS B	Eligibility	MS A	MS B
	40%	70%	100%	40%	70%	100%	40%	70%	100%
FFB									
IS-CSPO									
IS-CSPKO									
IS-CSPKE									

13. Independent Smallholders Actual Sold Tonnage / Volume						
	FFB	FFB Conventional	FFB Other schemes	IS-CSPO	IS-CSPK	IS-CSPKE
Current License period (<i>key in period</i>)						
Credits						
Physical						

*Not applicable for table 12 and 123 in case there are no smallholders involved in the assessment.

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: Nicholas Cheong (Nicholas.Cheong@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 **19-21/01/2022**. 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 **08/04/2022**. 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 company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.4.

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.

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.

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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 2_1)	Year 3 (ASA 2_2)	Year 4 (ASA 2_3)	Year 5 (ASA 2_4)
Carotino Palm Oil Mill	✓	✓	✓	✓	✓
Asia Oil Palm Estate 1		✓		✓	
Hwa Li Estate 1	✓			✓	
Hwa Li Estate 2	✓		✓		
Maran Estate		✓			✓
Pahang Oil Palm Estate 1			✓		✓

Tentative Date of Next Visit: January 19, 20223 – January 21, 2023

Total Number of Mandays: 9.0

2.2 BSI Assessment Team

Name	Role	Competency
Mohd Razaleigh bin Mohamad (MRM)	Team Leader	<p>Education: Holds a Bachelor Degree in Plantation Management and Agrotechnology, University Technology Mara (UiTM).</p> <p>Work Experience: He has 5 years' experience in Oil Palm Estate Management with Tradewinds Plantation Berhad. The last position held was Senior Assistant Manager. He has more than 4 years of experience in Third Party Certification Audit with Control Union (M) Sdn Bhd for RSPO P&C, MSPO P&C and GLOBALG.A.P. IFA Fruits and Vegetables. Qualified as RSPO Lead Auditor and approved to conduct Environmental and Social elements.</p> <p>Training attended: He has completed ISO 9001-2015 Lead Auditor Course, ISO14001- 2015 Lead Auditor Course, ISO45001-2018 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course, Endorsed MSPO P&C Lead Auditor Course, Social Accountability SA8000 Auditor Course, RSPO Independent Smallholder (IHS) Auditor Training.</p> <p>Aspect covered in this audit: Social</p> <p>Language proficiency: Fluent in English and Bahasa Malaysia</p>
Mohamed Hidhir bin Zainal Abidin (MH)	Team Member	<p>Education: Holds a Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006.</p> <p>Work Experience: 4½ years working experience in palm oil industry specifically in palm oil mill as Mill Engineer. More than 10 years of auditing experience with accredited certification body for several schemes include</p>

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		<p>ISO9001, ISO14001, OHSAS18001 (now ISO45001), RSPO, MSPO and RBA Labor Ethics</p> <p>Training attended: He has completed ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course, OHSAS 18001 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course, MSPO Awareness Training, Endorsed RSPO SCCS Lead Auditor Course, HCV & HCS Introductory Training and SMETA Requirements Training.</p> <p>Aspect covered in this audit: Occupational safety and health, mill and estates best practices, legal compliance and supply chain.</p> <p>Language proficiency: Fluent in English and Bahasa Malaysia</p>
Mahzan Munap (MM)	Team Member	<p>Education: Holds a Bachelor of Science in Petroleum Engineering from University of Missouri, USA and Master of Business Administration from Ohio University</p> <p>Work Experience: 38 years of working experience spanning the oil & gas, chemicals and petrochemicals, power generation, cement plants, electronics, services, construction and general manufacturing industries, oil palm plantations and government sectors. Has extensive experience in developing and implementing Safety and Environmental Management System, preparing Emergency Response Procedures, conducting Safety and Environmental Audits, Quantified Risk Assessment, Loss Control and Prevention and HAZOP studies for the major petrochemical and chemical industries. Has been qualified to perform ISO9001, ISO14001, OHSAS18001 (now ISO45001), since year 2000 and later qualified to perform RSPO P&C and MSPO P&C audits.</p> <p>Training attended: He has completed Endorsed RSPO P&C Lead Assessor Course, ISO 9001 IRCA accredited Lead Auditor Course, ISO 14001 EMS RABQSA/IRCA Lead Assessor Course; HCV & HCS Introductory Training and SMETA Requirements Training.</p> <p>Aspect covered in this audit: Economic management plan, mill best practices, estate best practices, natural and biodiversity conservation, Waste management, GHG and HCV.</p> <p>Language proficiency: Fluent in English and Bahasa Malaysia</p>

Accompanying Persons:

Name	Role
Nicholas Cheong	Observer (Qualifying review for MRM and MM)

2.3 Assessment Plan

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

Date	Time	Subjects	MRM	MH	MM
Tuesday, 18/01/2022	1500 - 1900	Auditors travel to Segamat. Overnight in Segamat	✓	✓	✓
Wednesday,	0800 - 0900	Travel from Segamat to Hwa Li Estate 2 (Auditor travel by own car, estate will fetch at the gate)	✓	✓	✓

19/01/2022 Hwa Li Estate 2	0900 - 0930	Opening Meeting: - Opening Presentation by Audit Team Leader. - Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation).	✓	✓	✓
	0930 - 1230	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	Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	✓	✓	✓
	1630 - 1700	Interim Closing Briefing	✓	✓	✓
	1700	Travel to Kuantan. Overnight in Kuantan	✓	✓	✓
Thursday, 20/01/2022 Carotino POM	0800 - 0900	Travel from Kuantan to Carotino POM (fetch by client)	✓	✓	✓
	0900 - 1230	Inspection: 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.	✓	✓	✓
	1000 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	✓	-	-
	1230 - 1330	LUNCH BREAK			
	1330 - 1630	Document review P1 – P7: Document Review P1 – P7: SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation. RSPO SCCS general requirements, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records	✓	✓	✓
	1630 - 1700	Interim Closing Briefing	✓	✓	✓
		Overnight at Pahang Oil Palm Estate Guest House	✓	✓	✓
Friday 21/01/2022	0900 - 1200	Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with	✓	✓	✓

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Pahang Oil Palm Estate 1		stakeholder/workers representatives, new planting, CIP and implementation & etc.)			
	1230-1330	LUNCH BREAK			
	1330-1600	Continue Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	✓	✓	✓
	1600-1630	Audit team discussion & preparation for closing meeting	✓	✓	✓
	1630-1700	Closing meeting	✓	✓	✓

Critical NC close out assessment plan:

Date	Time	Subjects	MRM
Friday 08/04/2022	1000-1015	Opening briefing by the audit team leader	✓
	1015-1115	<u>Carotino POM</u> Verification of effective implementation of corrective actions for NCR #2156930-202201-M2 • Site visit at the IPA & Hexane store	✓
	1130-1300	<u>Hwa Li 02 Estate</u> Verification of effective implementation of corrective actions for NCR #2156930-202201-M1: • Interview with the trained manuring workers Site visit at the riparian zone pegging	✓

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?	Yes. It includes Melewar Production Unit, Asia Production Unit, Carotino Production Unit and Takon Production Unit. Please refer to appendix for details on the mills and estates of Carotino/JC Chang Group.	Complied.
Have all the estates and mills certified within five (5) years after obtaining RSPO membership?	Yes. The Group has achieved 100% RSPO certification for all Operating Units under the management of JC Chang Group at ended year of 2019. The last Production Unit namely Takon Production Unit have undergone RSPO main assessment on 28/10 to 1/11/19 with a positive result and the CB have recommended Takon Production Unit for RSPO certification, but the certification was on hold due to unsettlement of RaCP. On Feb 2021, Takon Palm Oil Mill was sold to non-RSPO member and followed by Takon Estate on July 2021. RaCP concept note have approved by RSPO and the Group have restructure Takon Production Unit to include the remaining Operation Units from Takon Production Unit namely Muis Melewar Plantation 1, Muis Melewar Plantation 2 and Pelita Estate to Melewar Production Unit. These Operating Units had finished 30% of RSPO remote audit on 17-18/06/2021. The remaining 70% of RSPO site audit held on 06-10/12/2021 together with the existing Melewar Production Unit.	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.	Yes. There is a new acquisition namely Asia Ecogreen Sdn Bhd under Hwa Li Estate Div. 3 management. The land has been certified during previous assessment.	Complied
Any deviations from the maximum periods requires approval by the RSPO Secretariat.	It has been verified that there is no deviations from the maximum periods requires approval by the RSPO Secretariat.	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?	Changes involved the restructure of Takon Production Unit due to selling of Takon Palm Oil Mill to non-RSPO member on Feb 2021 and followed by Takon Estate on July 2021. There is evidence that the implementation is consistent with the ACOP reporting.	Complied
Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised	No isolated lapses in implementation of the plan	Complied

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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 fundamental failure in implementation of the plan	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.	No replacement after dates defined in RSPO P & C MYNI 2019	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.	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.	There is no land issues has been identified base on the website, interview with stakeholders. RaCP has been approved by RSPO for all sites as per RSPO website.	Complied
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2	No labor dispute issues reported and found during the onsite audit.	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 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.	Yes. Internal audit conducted with findings highlighted for site further improvement. Pelita Estate – 17-19/08/2021 Muis Melewar Plantation 1– 23-25/08/2021 Muis Melewar Planation 2 – 07-09/09/2021 By Internal Control Team	Complied
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?	There is no critical non-compliance has been raised during the internal audit.	Complied
Have there been any stakeholder (including NGO) consultation conducted?	Yes and there is negative issues raised during the consultation.	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?	Not applicable	Complied

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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.		
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Approved Time Bound Plan

Production Unit	Type of Certification Obtained	Type of Sustainability Assessment / Date Planned For Audit		
		RSPO	ISCC	MSPO
<u>Carotino Production Unit</u>	RSPO, ISCC, MSPO	RSPO	ISCC	MSPO
Carotino Palm Oil Mill Asia Oil Palm Estate 1 Pahang Oil Palm Estate 1 Maran Estate Hwa Li Estate 1 Hwa Li Estate 2		19-21/01/2022	15-19/08/2022	08-12/08/2022
<u>Asia Production Unit</u>	RSPO, ISCC, MSPO	RSPO	ISCC	MSPO
Asia Palm Oil Mill Asia Oil Palm Estate 2 Melewar Estate 2 Hwa Li Estate 3		06-10/12/2021	15-18/08/2022	08-12/08/2022
<u>Melewar Production Unit</u>	RSPO, ISCC, MSPO	RSPO	ISCC	MSPO
Melewar Palm Oil Mill Gerola Estate Tye Yang Estate Melewar Estate 1 Pahang Oil Palm Estate 2 Pahang Oil Palm Estate 3 Pelita Estate Muis Melewar Plantation 1 Muis Melewar Plantation 2		06-10/12/2021	07-11/03/2022	08-11/03/2022

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Remarks,

The Group has achieved 100% RSPO certification for all Operating Units under the management of JC Chang Group at ended year of 2019. The last Production Unit namely Takon Production Unit have undergone RSPO main assessment on 28/10 to 1/11/19 with a positive result and the CB have recommended Takon Production Unit for RSPO certification, but the certification was on hold due to unsettlement of RaCP. On Feb 2021, Takon Palm Oil Mill was sold to non-RSPO member and followed by Takon Estate on July 2021. RaCP concept note acquired approval from RSPO and the Group have restructure Takon Production Unit to include the remaining Operation Units from Takon Production Unit namely Muis Melewar Plantation 1, Muis Melewar Plantation 2 and Pelita Estate to Melewar Production Unit. These Operating Units had finished 30% of RSPO remote audit on 17-18/06/2021. The remaining 70% of RSPO site audit will be held on 06-10/12/2021 together with the existing Melewar Production Unit.

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 *Two* (2) Critical; *Zero* (0) Minor nonconformities and *One* Opportunity For Improvement raised. The Carotino Palm Oil Mill (Carotino Production Unit) Certification Unit 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 #	2156930-202201-M1	Date Issued	21/01/2022
Due Date	21/04/2022	Date of nonconformity Closure	05/04/2022
Clause & Category (Critical / Minor)	6.7.3 (Critical)		
Statement of Nonconformity:	Appropriate personal protective equipment (PPE) was not provided to workshop personnel at the place of work to cover all potentially hazardous operations		
Requirement Reference:	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.		
Objective Evidence:	<p><u>Hwa Li 2 Estate</u></p> <p>Based on PPE issuance records, no records of safety boots provided to the workshop personnel. Only rubber boots given to them based on date of issuance; 1/3/21 and 23/11/20 for the foreman and his assistant.</p> <p>HIRARC register, rev:3_2021 dated 10/9/2021 for workshop activity stated that proper footwear to be provided and contrary with the established SOP, PBDS – Mekanik and Pekerja Bengkel (Bahasa Malaysia), doc. Ref. no. M/009 -01/2007 dated 13/2/2007</p> <p>a) <i>Mekanik mesti memakai but keselamatan dan topi keselamatan setiap masa semasa berada didalam bengkel dan ketika bekerja di luar bengkel.</i></p>		
Corrections:	HIRARC has been reviewed on 24/01/2022, the workshop PPE requirement is identified and proper footwear has been changed to safety boots. Safety boots has been issued by person in-charge to workshop foreman on 27/01/2022 as per SOP and HIRARC requirement.		
Root Cause Analysis:	The person in-charge of PPE issuance did not followed the SOP guidelines on proper PPE implementation required for workshop foreman. HIRARC registered for workshop activity was not reviewed according to SOP guidelines.		
Corrective Actions:	Briefing on issuance of PPE according to type of work has been conducted to all management staff on 24/01/2022 to instill awareness on PPE issuance to workers and the importance of proper recording to avoid misleading information.		

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	<p>Refreshment training of SOP guidelines and workshop operations for foreman and person in-charge has been conducted to instill awareness on proper PPE requirement and its usage when working at workshop dated 27/01/2022.</p> <p>PPE issuance form has been revised based on type of work and workshop PPE requirement as per SOP guidelines and HIRARC to avoid improper PPE issuance in the future.</p>
Assessment Conclusion:	<p>Critical NCs closure visit has been done on 05/04/2022. As verified, HIRARC updated on 24/01/2022 and change from footwear safety boots and issuance of safety boots done 27/04/2022. It also verified during the site visit to workshop, confirmed that foreman wear safety boots and as per interview with the foreman, safety boots provided by the management. Sighted also training records to all management staff on awareness of PPE issuance and on SOPs to workshop workers on 27/01/2022. Interview with management staff and workers, shows their understanding on the training. Correction and corrective action has been identified sufficient to close the NC.</p>

Non-conformity			
NCR Ref #	2156930-202201-M2	Date Issued	21/01/2022
Due Date	21/04/2022	Date of nonconformity Closure	05/04/2022
Clause & Category (Critical / Minor)	3.3.1 (Critical)		
Statement of Nonconformity:	Standard Operating Procedures (SOP) for confined space entry programme was not in place.		
Requirement Reference:	Standard Operating Procedures (SOPs) for the unit of certification are in place.		
Objective Evidence:	<p>Carotino POM</p> <p>No SOP for confined space entry programme available for verification. Furthermore, based on PTW for boiler no.3 (furnace entry) dated 2/1/22, health requirements for persons working in confined space, section 11 of ICOP for Confined Space 2010 were not fully adhered. Health surveillance programme has yet to be established for the competent person (AGT and AESP). No health declaration made by authorized entrant on the said date for confined space entry programme.</p>		
Corrections:	Mill management has established SOP Confine Space entry programme for authorized entrant as per ICOP Guideline. Training has been provided to authorized entrant according to ICOP guideline requirement. Management has arranged and sent authorized entrant for Health surveillance.		
Root Cause Analysis:	SOP for confined space entry programme was not properly documented. Mill management refer ICOP books as per guideline but not fully implemented		
Corrective Actions:	Mill management will identify the confined space works/ activities as per law requirement. Once identification process done SOP will established for the confined space works/activities. SOP Confine Space entry programme is implemented by mill management as required by ICOP for Confine Space 2010. Training is provided to authorized entrant as per requirement particularly health surveillance program and Health declaration. All SOP will send to HQ for approval and registration and		

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	properly documented for reference.
Assessment Conclusion:	Critical NCs closure visit has been done on 05/04/2022. New SOPs on confined space has been established in document number P/034-01/2022 title Standard Operation Procedure at Confine Space dated 28/01/2022. Medical surveillance program for workers working at confined space workstation established and planned on February 2022 and it is verified that all workers has done medical surveillance and declared as fit. Training for all workers done on 19/02/2022 and as per interview, shows their understanding on the training. Correction and corrective action has been identified sufficient to close the NCs

Opportunity for Improvements	
OFI #	Description
OFI 1	The mechanism to check implementation of procedures could be improved although there is shortage of workers at (a) estates visited and mill due to Covid-19 pandemic and (b) damages sighted in the field in flood prone areas.

Positive Findings	
PF #	Description
PF 1	Good housekeeping at working places e.g. workshop, storage, mill operation areas, etc.
PF 2	Good cooperation given to the audit team during the audit
PF 3	Good positive feedback received from the stakeholders

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-conformity			
NCR Ref #	2014302-202101-M1	Date Issued	22/01/2021
Due Date	22/04/2021	Date of nonconformity Closure	25/02/2021
Clause & Category (Critical / Minor)	3.4.3 (Critical)		
Statement of Nonconformity:	The chemical spillage management was not satisfactorily implemented in accordance to the environmental management plan.		
Requirement Reference:	The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.		
Objective Evidence:	Based on the Environmental and Social Improvement Plan – West (Pahang), spillage of chemical was identified as one of the many environmental aspects. One of the solutions to be implemented was "Containment sump at storage area to be built at the rate of 10% higher than actual physical stock". However, at Carotino POM, it was found that a small store located behind the mill's lab and meeting room which purpose to keep hexane and IPA has no "containment sump" with capacity 10% higher than the chemical stock capacity been equipped. The		

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	perimeter metal wall of the store was also corroded which has caused many holes around.
Corrections:	Carotino Mill Management constructed permanent containment bund with capacity of 2.4m x2.4m x 0.3m equivalent to 1.728m ³ = 1700liter.
Root Cause Analysis:	Current storage area was temporary storage only. Usually mill will keep 1 container for each IPA & Hexane. Due to recent pandemic and flooding, mill store more to prevent running out of chemical and processing disrupted. Since temporary storage, during work place inspection containment sump over looked and miss out.
Corrective Actions:	Mill has constructed containment bund to prevent spillage, existing ERP plan, SDS, spillage kit will be maintained and practiced. All spillage containment will be included into workplace inspection schedule on monthly basis.
Assessment Conclusion:	ASA2_2 verification: It has been verified during the site visit, all bund to prevent spillage existing ERP plan, SDS, spillage kit will be maintained and practiced. All spillage containment has been included into workplace inspection schedule that been done on monthly basis. Thus, the non-conformities remain closed.

Non-conformity			
NCR Ref #	2014302-202101-M2	Date Issued	22/01/2021
Due Date	22/04/2021	Date of nonconformity Closure	25/02/2021
Clause & Category (Critical / Minor)	7.8.2 (Critical)		
Statement of Nonconformity:	The implementation of management plan for maintaining riparian zones was not satisfactorily 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. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.		
Objective Evidence:	Fertilizer (NK Mix) was found to be applied at some palms that stood very close (< 5 m) to Ketapi River at field no. 15A3, Maran Estate. This is not in-line with the requirement stated in the company's "Guidelines on Biodiversity Conversation Management Plan for Estates – WM" [doc. No.: C/006-01/2009, dated 20/2/2009], Clause 2.4 which reads, "All finalised buffer zones are to be subjected to 'do-nothing policy' i.e. no spraying and no manuring until they fully revert back to natural jungle conditions".		
Corrections:	Method of training to be conducted effectively where awareness on riparian zone not strictly based on peg, but based on width of the river as well.		
Root Cause Analysis:	Recently, there was a big flood, caused riverbanks being eroded. The palms that previously applied with fertilizer were so close with the riverbank this time after the erosion. Unfortunately, the workers not aware that even without peg but beside river also cannot be fertilized.		

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Corrective Actions:	To conduct training on Riparian zone that emphasizes on width of river as well. At the same time peg will be put back according to guidelines.
Assessment Conclusion:	ASA2_2 verification: As site visit to 2 samples estates which are Hwa Li 02 Estate and Pahang 01 Estate found out there is no activities carried out at the riparian zone which has been identified during the site visit. Annual training for workers has been done on riparian zone by the management. Thus, the non-conformities remain closed.

Non-conformity			
NCR Ref #	2014302-202101-N1	Date Issued	22/01/2021
Due Date	22/01/2022	Date of nonconformity Closure	21/01/2022
Clause & Category (Critical / Minor)	3.3.3 (Minor)		
Statement of Nonconformity:	The housing condition sighted during site visit was not reflective as per reported in the housing inspection record.		
Requirement Reference:	Records of monitoring and any actions taken are maintained and available.		
Objective Evidence:	<p>During the workers housing visit at Maran Estate, the following was observed:</p> <ul style="list-style-type: none"> - Sighted traces of oil spill on the ground in front of house # B01 B02 - The connecting drain at the back of the house # B01 B02 and the drain sump at the end of the blocks found not fully cleared its sedimentation which already started some undergrowth - The front door of house # C07 was missing its door knob - There's a small puddle of yellowish water located nearby black poly pipe and septic tank next to house # A07 A08 <p>Latest inspection visit dated 15/1/2021 shown all area in good condition and the back drain mentioned cleaned which was not reflective of actual condition during visit.</p>		
Corrections:	The report will be amended as per actual scenario		
Root Cause Analysis:	As Medical Assistant is not available currently, they had to appoint field staff to carry out the duty of linesite inspection instead. However, the staffs in charge are not thoroughly check the linesite and only check the cleanliness of housing compound. Appointment letter not really spelt out the duty clearly & only mentioned " to ensure cleanliness & hygienic condition"		
Corrective Actions:	Appointment letter had been amended to state clearly and specifically job function of linesite inspector. Timetable of line site shall be prepared for staff in charge as well as management team to inspect the line site.		
Assessment Conclusion:	ASA2_2 verification: Verification has been done during the annual surveillance audit where sighted the management of Maran Estate has appointed Mr Eswaran as PIC base on the appointment letter dated 30/01/2021 and sighted timetable for line site inspection which has been done on weekly basis. It also further verified in the current year sample estate, for Pahang Oil Palm Estate where latest inspection has been done		

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	on 12/01/2022 and 04/01/2022. As per site visit, there is evidence that housing condition as in line with housing inspection report. As per verification, CAP has been implemented and sufficient to close the non conformities.
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Opportunity for Improvement	
OFI#	Description
OFI 1	<p>OFI Statement: <u>2014302-202101-I1 (Indicator 6.2.5)</u> Identified aspect in the established as Environmental and Social Improvement Plan – West (Pahang); Doc. Ref. # N/009-02/2019; Date: 21/11/2019 related to fair pricing of food price could be further improved on pricing of non-tenanted grocery shop and or café operators to ensure workers' access to adequate, sufficient and affordable food continuously improving.</p> <p>Verification / Follow-up actions: Each operating units has make improve for workers` access to adequate, sufficient and affordable foods. For all Hwa Li 02 estate, one sundry shop has been established and for Carotino POM and Pahang Oil Palm Estate 1 share same sundry shop. Monitoring of price has been done where price need be submitted to the office on monthly basis and comparison has been done with outside sundry shop. There is no significant different of price has been identified.</p>
OFI 2	<p>OFI Statement: <u>2014302-202101-I2 (Indicator 7.8.2)</u> The progress of "rehabilitation of riparian zone" can be further improved by stating the status clearly in the company's "Environmental and Social Improvement Plan - West (Pahang)".</p> <p>Verification / Follow-up actions: Guidelines on establishment of riparian buffer zone, doc. ref. C/001- 03/2019, dated 27/4/19 in line with Department of Drainage and Irrigation's guidelines. Each OU assessed has established their Environmental and Social Improvement Plan – West (Pahang); Doc. Ref. # N/009-02/2019; Dated: 1/05/2021 and included the progress of "rehabilitation of riparian zone"</p>

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Critical / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1729621-201901-N1	Major	4.1.2	17/01/2019	Closed out on 10/01/2020
RSPO P&C MYNI 2019				
1871353-202001-M1	Critical	7.10.1	10/01/2020	Closed out on 06/03/2020
1871353-202001-M2	Critical	D.5.1	10/01/2020	Closed out on 06/03/2020
1871353-202001-N1	Minor	2.1.3	10/01/2020	Closed out on 22/01/2021
1871353-202001-N2	Minor	3.3.2	10/01/2020	Closed out on 22/01/2021
2014302-202101-M1	Critical	3.4.3	22/01/2021	Closed out on 25/02/2021
2014302-202101-M2	Critical	7.8.2	22/01/2021	Closed out on 25/02/2021
2014302-202101-N1	Minor	6.2.4	22/01/2021	Closed out on 21/01/2022

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2156930-202201-M1	Critical	6.7.3	21/01/2022	Closed out on 05/04/2022
2156930-202201-M2	Critical	3.3.1	21/01/2022	Closed out on 05/04/2022

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 Carotino Palm Oil Mill (Carotino Production Unit) 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 in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as below.

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)
Neighbouring estate	Sri Jaya Oil Palm Estate	Face to face
Sundry shops	Kedai Runcit Zul Zan	Face to face
Local communities	Kampung Sungai Bakpar	Face to Face
Sundry shops	Raida	Face to Face
Governmental Department	Balai Polis Gambang	Phone call
Governmental Department	Klinik Kesihatan Sri Jaya	Phone call

Stakeholders comment	
1	<p>Issues: Most of the stakeholders responded that both Carotino POM and Estates maintain good relationship with that stakeholders.</p> <p>Management response: The management of both POM and estate will try to maintain good relationship with all stakeholder and will identify any potential cooperation and contribution to the community.</p> <p>Audit Team Findings: No further issue.</p>
2	<p>Issues: Balai Polis Gambang</p> <p>Good relationship has been maintained by both parties where often meeting has been conducted to discuss issues related to crime and safety. As for now, there is negative issues related to crime and</p>

	<p>safety from Carotino POM and estates. Stakeholders also understand the communication procedure and PIC to contact for communication</p> <p>Management response: The management noted with the positive findings and will try to improve relationship with Balai Polis</p> <p>Audit Team Findings: No further issue.</p>
3	<p>Issues: Neighbouring estate (Sri Jaya Oil Palm Estate) There is no land issues has been raised since initial acquisition until now where both management has identified their boundaries and clearly demarcated. Previously, before the pandemic, Sri Jaya Oil Palm Estate invited for stakeholders meeting latest in year 2020, but now memo has been sent as a mechanism to communicate the SOPs and respond any feedback. Sri Jaya Oil Palm Estate also shows their understanding with JC Chang SOPs.</p> <p>Management response: The management noted with the positive findings and will try to improve relationship with Neighbouring estate</p> <p>Audit Team Findings: No further issue.</p>
4	<p>Issues: Local communities (Kampung Sungai Bakpar) En Osman is the head of Kampung Sungai Bakpar, previously worked with Carotino POM for more than 20 years. As per interviewed, contribution has been made by POM and estates to the village especially on road repairs to the village. Other than that, POM and estates provide job opportunities for villagers. There is no activities or operations in the POM and estate that affect villagers life.</p> <p>Management response: The management noted with the positive findings and will try to improve relationship with Neighbouring estate</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Issues: Sundry shops (Raida and Kedai Runcit Zul Zan) Raida operate sundry shops at Hwa Li 02 Estate while kedai Runci Zul Zan operate in Pahang 01 Estate and has operate more than 10 years. As per interviewed, monitoring of grocery price done by management on monthly basis. Both sundry shops operators are happy doing business in the estates and there is no negative issues.</p> <p>Management response: The management noted with the positive findings</p> <p>Audit Team Findings: No further issue.</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
Note: There is no customary rights land in the Carotino Palm Oil Mill (Carotino Production Unit) Certification Unit. Moreover, the most of the planting cycles had passed their second cycle of planting.					

Previous land owner / user comment	
	Feedbacks: Audit Team verification and response:

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 Carotino Palm Oil Mill (Carotino Production Unit) 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 Carotino Palm Oil Mill (Carotino Production Unit) is remain certified.</p>	
<p>Report prepared by</p>	<p>Acceptance of Assessment Conclusion</p>
<p>Name: Mohd Razaleigh bin Mohamad</p>	<p>Name: <i>Seow Chee Chong</i></p>
<p>Company Name: BSI Services Malaysia Sdn Bhd</p>	<p>Company Name: <i>Carotino Sdn. Bhd.</i></p>
<p>Title: Client Manager</p>	<p>Title: <i>Sr. Manager</i></p>
<p>Signature:</p> <p><i>[Signature]</i></p>	<p>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></p> <p>CAROTINO SDN BHD</p> <p><i>[Signature]</i></p>
<p>Date: 10/05/2022</p>	<p>Date: <i>17/5/2022</i></p>

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance
Principle 1: Behave ethically and transparently		
Criterion 1.1: The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1	<p>(C) Documents that are specified in the RSPO P&C are made available to the public.</p> <p>- Critical (Major) compliance -</p> <p>The list of information that can be requested by stakeholders is mentioned in Guideline on Mechanism for Information Requests by Stakeholders [Doc. Ref. No. E/006-08/2019], Clause 3.0.</p> <p>The following documents were publicly available at all the operating units upon request:</p> <ul style="list-style-type: none"> a. Land titles/user rights (Criterion 4.4) b. Occupational health and safety plans (Criterion 3.6) c. Plans and impact assessments relating to environmental and social impacts (Criterion 3.4) d. HCV documentation (Criterion 7.12) e. Pollution prevention and reduction plans (Criterion 7.10) f. Details of complaints and grievances (Criterion 4.2) g. Continuous improvement plans (Criterion 3.2) h. Public summary of certification assessment report i. Human Rights Policy (Criterion 4.1) j. Summary report of contributions to community development (criterion 4.3) k. Procedure for negotiation on compensation (Criterion 4.6) <p>Other than that, information can be refer to the company website, www.carotino.com</p>	Complied

1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>JC Chang Group has developed a Guideline on Mechanism for Information Requests by Stakeholders. The guideline has been reviewed on 12/08/2019 and updated documentation with Doc. Ref. No. E/006-08/2019 was available for review. Information provided in both English and Bahasa Malaysia and accessible to all stakeholders of JC Chang Certification Unit. Stakeholders may come to estate/mill office or visiting the company's website i.e. www.carotino.com .</p>	Complied
1.1.3	<p>(C) Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>There is evidence that records of request for information and responses has been maintained in the logbook "stakeholders request book" and "Buku Aduan". For Hwa Li 02 Estate, latest 28/05/2019 from Pejabat kesihatan Bera for line site inspection.</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>SOPs for communication and consultation document number E/004-08-2019 title consultation for employees & other stakeholders. Stated communication can be done through</p> <ul style="list-style-type: none"> a. Joint consultative committee (JCC) 3 months once b. Complaint and grievance procedure c. Suggestion box <p>For Hwa Li Estate 2, There is evidence that the procedure has been explained through email that has been submitted to stakeholders. Samples has been 2 stakeholders which are Ladang Pertanian and Kampung Jeram Panjang.</p> <p>Appointment letter for PIC for communication and consultation verified to Mohd Zafri bin Miswan dated 01/07/2021.</p> <p>Sample of JCC meeting has been taken for 10/11/2021 and 11/08/2021 which discussed several issues related operation, sustainability and workers.</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>List of stakeholders for Hwa Li 2 Estate has been documented and maintained by the management. There are few category has been listed which are surrounding estates details, contractor, government bodies and NGO`s. There are 5 surrounding estate which are Kampung Pasal, Ladang Pertanian, Proseper commodity estate, Kampung Jeram Panjang and Havys Oil Mill Sdn Bhd. While for Carotino POM and Pahang Oil Palm Estate 1, it is located in the same area and have same local communities/neighboring estates which are estate canteen, Kampung Bekapor and FGVPM Lepar Utara 5 Estate.</p>	Complied
<p>Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.</p>			
1.2.1	<p>A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.</p> <p>- Minor compliance -</p>	<p>Carotino / JC Chang has documented its Corruption Prevention Policy that incorporated various aspect of commitment to a code of ethical conduct and integrity. It was established on 04 September 2015 and signed by the estate director and is made applicable to any and all form of business operations and transactions, including recruitment and contracts.</p> <p>The policy has been communicated and implemented to all Operating Units and all levels of the workforce. Sighted the policy had been displayed at the offices of Hwa Li Estate 2 and Carotino POM.</p>	Complied
1.2.2	<p>A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.</p> <p>- Minor compliance -</p>	<p>The Carotino Production Unit holds monitor the implementation of the policy through the internal audit and management review guided by Group Guideline for Internal Auditing and Management Review of the Sustainability and Supply Chain System; Doc Ref Number: T/001-03/2018; Doc Date: 03/06/2018 Version 3.</p> <p>As per the Guideline, the annual RSPO P&C and RSPO SCC internal audit has been performed at the Carotino Pahang Oil Mill and its Supply Base by the Internal Control Team (ICT) from the HQ</p>	Complied

		Sustainability Unit. Audit findings issued to the CPU were acted upon and all corrective actions taken were verified and closed satisfactorily by the ICT. Management review was conducted at HQ level for all operating units on 20/07/2021.	
Principle 2: Operate legally and respect rights			
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	(C) The Unit of Certification complies with legal requirements - Critical (Major) compliance –	<p><u>Hwa Li 2 Estate</u></p> <p>i) MPOB License; License Number: 504216202000; Estate Area: 1,659.21 Ha; License Validity Period: 01/07/2021 till 30/06/2022.</p> <p>ii) Diesel License; Serial Number P: C001926; License Reference Number: KPDNHEP TLH 600-5/2/48/20; License Period 17/06/2021 until 16/06/2022, storage capacity: 16,000 liter.</p> <p>iv) Certificate of fitness for air compressor, reg. no. PH PMT82521 valid until 18/7/2022.</p> <p>v) Energy Commission; Private Installation License; Serial Number: 49662; License Number: 2021/01066; for 100 kW, license valid for 1 year from 13/05/2021 until 12/5/2022.</p> <p>vi) <i>Sijil Kebenaran Penggunaan</i> Air from Pahang Water Resource Sdn Bhd, serial no. 0026, valid until 31/12/2020 – the renewal application has been submitted on 29/11/2021 and pending for approval.</p> <p><u>Carotino POM</u></p> <p>i) DOE License/Jadual Pematuhan: JAS.CHQ.600-3/1/2/60(27) (validity period 1/7/2021 – 30/6/2022) for 45 mt/hr and method of POME discharge is land application. BOD limit is < 5000 mg/l.</p> <p>iii) License for electrical installation, serial no. 42483, license no. 2021/01320, installation capacity: 3248kW valid until 27/2/2022.</p>	Complied

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		<p>iv) Diesel permit, serial no. P:C001911, ref: KPDNHEP TLH 600-5/2/16/90, storage capacity: 16,000 litre valid until 17/5/2022.</p> <p>v) MPOB license, 5003566040000 (FFB – milling, CPO, PK, SPO – storage etc) valid until 31/10/2022. Approved processing capacity: 192,000 mt.</p> <p>vi) Competent person</p> <table border="1" data-bbox="1137 580 1926 1319"> <thead> <tr> <th>Competency</th> <th>Registration no.</th> <th>Expiry date</th> </tr> </thead> <tbody> <tr> <td><u>CePSWaM</u></td> <td>CePSWaM/00196</td> <td>Pending for report submission</td> </tr> <tr> <td><u>CePPOME</u></td> <td><u>CePPOME</u>/00196</td> <td>-</td> </tr> <tr> <td>Authorized Gas Tester and Entry Supervisor (AGTES)</td> <td>NW-ECRO-AGT-0108-T</td> <td>21/4/2023</td> </tr> <tr> <td>Authorized Entrant and Standby Person (AESP)</td> <td>NW-ECRO-AE-R-3401-S NW-ECRO-AE-R-2867-S NW-ECRO-AE-R-2868-S</td> <td>09/09/2022 20/08/2022 20/08/2022</td> </tr> <tr> <td>Steam Engineer (2nd Grade)</td> <td>035/2014</td> <td>-</td> </tr> <tr> <td>2nd grade engine driver</td> <td>PA/62/2003</td> <td>-</td> </tr> <tr> <td>1st grade engine driver</td> <td>PA/120/96</td> <td>-</td> </tr> </tbody> </table>	Competency	Registration no.	Expiry date	<u>CePSWaM</u>	CePSWaM/00196	Pending for report submission	<u>CePPOME</u>	<u>CePPOME</u> /00196	-	Authorized Gas Tester and Entry Supervisor (AGTES)	NW-ECRO-AGT-0108-T	21/4/2023	Authorized Entrant and Standby Person (AESP)	NW-ECRO-AE-R-3401-S NW-ECRO-AE-R-2867-S NW-ECRO-AE-R-2868-S	09/09/2022 20/08/2022 20/08/2022	Steam Engineer (2 nd Grade)	035/2014	-	2 nd grade engine driver	PA/62/2003	-	1 st grade engine driver	PA/120/96	-	
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		2 nd grade internal combustion engine driver	PA/25/2007	-	
		Electrical chageman A4	PJ-T-4-H-1741-2000	Valid until 20/2/2025	
		viii) Mill and machinery annual inspection for was done on 3/3/2021. Among inspected machineries listed as per below:			
		UPV/SB	PMT/PMD no.	CF expiry date	
		Steam boiler	PH PMD 961	02/06/22	
		Deaerator header	PH PMT 7387	02/06/22	
		Steam receiver	PH PMT 1749	02/06/22	
		Vertical sterilizer	PH PMT 3412 PH PMT 3411 PH PMT 3410 PH PMT 3409	02/06/22	
		Water softener	SB PMT 106144	6/12/22	
		ix) Permit to Purchase, Store and Use of Sodium Hydroxide, Poison Ordinance 1952, permit no. 008781, register no. CC0022/2022 dated 1/1/2022 and valid until 31/12/2022.			
		<u>Pahang Oil Palm Estate</u>			
		i) MPOB License; License Number: 501382102000; Estate Area: 2,153.10 Ha; License Validity Period: 01/04/2021 till 31/03/2022.			

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		<p>ii) Diesel License; Serial Number P: C001842; License Reference Number: KPDNHEP TLH 600-5/2/321/81; License Period 23/04/2021 until 22/04/2022, storage capacity: 20,000 liter.</p> <p>iii) Certificate of fitness for air compressor, reg. no. PH PMT82302 valid until 13/4/2023.</p>	
2.1.2	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p> <p>- Minor compliance –</p>	<p>Identification and documentation of applicable legal requirements is guided by SOP on Mechanism to Trace Changes in Legal Requirements (Doc Ref Number: E/005-07/2017); Doc Date: 06/01/2017.</p> <p>Tracking system to identify changes in the relevant regulations were available through the head office, website information and is communicated from the Group Head Office. Sighted the latest review to include new updates for Extension of RMCO until 31/03/2020, Reduction of Employee Provident Fund (EPF) Statutory Contribution Rate of Employees with Effect from 1st January 2021, Wildlife Conservation Act 2010, Wildlife Conservation (Hunting Prohibited Areas (Amendment) and Employees Minimum Standards of Housing, Accommodations and Amenities. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operation. Tracking system on any changes in the law had been well implemented.</p> <p>PUA 77-82: Employee’s Minimum Standard of Housing and Accommodation and Amenities (amendment) Regulation 2021 – 22/3/2021.</p>	Complied
2.1.3	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance –</p>	<p>Guidelines on Legal or Authorised Boundaries are guided by the documented procedure Guidelines On Field Blocking and Boundary Maintenance; Doc Ref Number: B/003-04/2017; Doc Date: 07/07/2017. Legal boundaries were well maintained and clearly demarcated at the below assessed estates.</p>	Complied

	<p>Relationship</p> <p>JC Chang Management Agent to managed 3 mill and 16 estates dated 3.8.2015</p>	<p><u>Hwa Li Estate 2</u></p> <p>Visit Field 90A8/13A5 angle boundary with Ladang Pertanian Kelapa Sawit Sdn Bhd and Bukit Kerisik Forest found the boundary marker was well maintained. It is made of plastic pipe filled up with concrete cement standing about 3 feet high painted with white and red stripes. Likewise, the visit to field 90A1/1 bordering smallholders of Kg. Pasal showed it too has same type of markers placed along its boundary line. In addition to the pegs the estate management constructed boundary trenches with smallholders. The size of the trench is about 8 feet wide by 4 feet deep. The trenches too were reasonably maintained. There were no signs of planting beyond the demarcated boundary.</p> <p><u>Pahang Oil Palm Estate 1</u></p> <p>There are nine (9) pieces of land title at POPE1 Estate registered in the name of Pahang Enterprise Sdn Bhd (PESB), also a JC Chang subsidiary company. Details of the plot are as follows:</p> <table border="1" data-bbox="1137 954 1921 1393"> <thead> <tr> <th rowspan="2">Land Title</th> <th rowspan="2">Lot No</th> <th colspan="2">Hectare</th> <th rowspan="2">Land Hold Expiry Date</th> <th rowspan="2">Land Use</th> </tr> <tr> <th>Old</th> <th>New</th> </tr> </thead> <tbody> <tr> <td>27262</td> <td>23604</td> <td>201.06</td> <td>202.6</td> <td>21.12.2068</td> <td>Oil Palm</td> </tr> <tr> <td>27263</td> <td>23605</td> <td>296.64</td> <td>296.2</td> <td>12.06.2073</td> <td>Oil Palm</td> </tr> <tr> <td>27255</td> <td>23600</td> <td>264.67</td> <td>264.6</td> <td>11.06.2077</td> <td>Oil Palm</td> </tr> <tr> <td>27256</td> <td>23601</td> <td>394.98</td> <td>395.3</td> <td>11.06.2077</td> <td>Oil Palm</td> </tr> <tr> <td>27257</td> <td>23602</td> <td>418.45</td> <td>422.4</td> <td>11.06.2077</td> <td>Oil Palm</td> </tr> <tr> <td>27258</td> <td>23603</td> <td>55.85</td> <td>57.49</td> <td>11.06.2077</td> <td>Oil Palm</td> </tr> <tr> <td>27259</td> <td>23606</td> <td>20.23</td> <td>20.24</td> <td>11.06.2077</td> <td>Oil Palm</td> </tr> </tbody> </table>	Land Title	Lot No	Hectare		Land Hold Expiry Date	Land Use	Old	New	27262	23604	201.06	202.6	21.12.2068	Oil Palm	27263	23605	296.64	296.2	12.06.2073	Oil Palm	27255	23600	264.67	264.6	11.06.2077	Oil Palm	27256	23601	394.98	395.3	11.06.2077	Oil Palm	27257	23602	418.45	422.4	11.06.2077	Oil Palm	27258	23603	55.85	57.49	11.06.2077	Oil Palm	27259	23606	20.23	20.24	11.06.2077	Oil Palm	
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TOTAL		2140.75	2153.10																		
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 -	For Hwa Li 02 Estate, there is only contractor which is Eng Lee Sing Sdn Bhd and has been listed in the list of stakeholder under contractor category. For Carotino POM, there are 2 types of transporter which is for CPO and PK. Sample has been taken for Hup Shing Berjaya Enterprise and Eng Lee Sing Sdn Bhd				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 -	For Hwa Li 02 Estate, there is only contractor which is Eng Lee Sing Sdn Bhd. There is evidence of contract agreement that has been signed by both parties contractor representative and management agreement number HL2/FFB/FY2021/2022 dated 01/07/2021. Other than that the management, the contractor need to signed additional agreement title "Kontrak pematuhan kemampuan dengan unit operasi di bawah ku mpulan JC Chang that has been signed on 22/10/2019. Stated in the compliance contract that contractor will comply with the legal requirement , disallowing child labour, force labour and trafficked labour in the business activities.				Complied															

		<p>There is evidence of due diligence has been conducted for recruitment agency (Amar Global management services and PT Pamor Sapta Dharma) dated 12/08/2019 in the document number E/024-01/2019</p> <p>While for Carotino POM, contract agreement for CPO and PK transporters is available during the audit for 2 transporters which are Hup Shing Berjaya Enterprise and Eng Lee Sing Sdn Bhd. Stated in the contract agreement, compliance to legal requirement in clause 11 and disallowing child labour, force labour and trafficked labour in the business activities.</p>	
2.2.3	<p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>- Minor compliance -</p>	Refer to indicator 2.2.2	Complied
<p>Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.</p>			
2.3.1	<p>(C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> • Information on geo-location of FFB origins • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder • One or more supporting documents for claims • Valid MPOB license <p>- Critical (Major) compliance –</p>	Not applicable as Carotino POM does not have FFB suppliers from outside the unit of certification.	Not Applicable
2.3.2	<p>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.</p> <p>- Minor compliance -</p>	Not applicable as Carotino POM does not have FFB suppliers from outside the unit of certification.	Not Applicable
<p>Principle 3: Optimise productivity, efficiency, positive impacts and resilience</p>			

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.																					
3.1.1	<p>(C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.</p> <p>- Critical (Major) compliance –</p>	<p>Carotino Production Unit (CPU) continued its commitment to long term sustainability and improvements through operational and capital expenditure program. Annual budget and management plan were documented with three years projection (FY 2022/23, 2023/24 and 2024/25), where budget for all the operational activities, such as harvesting, maintenance, general charges and milling were allocated. It includes FFB Production, FFB Received Trends (Mill) CPO, PK, OER, and KER, Production Cost, Environment, Social, OSH, CAPEX and OPEX were verified.</p> <p>Carotino Palm Oil Mill and its supply bases have made progress towards achieving their performance and production targets for the current financial year. More field mechanization at estates have begun in light of manpower shortage due to Covid-19 pandemic.</p> <p>There is no scheme smallholder found within the supply base.</p>	Complied																		
3.1.2	<p>An annual replanting programme projected for a minimum of five years with yearly review, is available.</p> <p>- Minor compliance -</p>	<p>Estates visited have developed their annual replanting programme projected till the year 2044. The projection for the next 5 years is shown in the table below:</p> <table border="1" data-bbox="1137 1010 1924 1225"> <thead> <tr> <th>Estate</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> </tr> </thead> <tbody> <tr> <td>Hwa Li Est 2</td> <td>-</td> <td>-</td> <td>156.98</td> <td>121.42</td> <td>163.80</td> </tr> <tr> <td>Pahang Oil Palm</td> <td>-</td> <td>103.65</td> <td>73.87</td> <td>130.33</td> <td>152.41</td> </tr> </tbody> </table>	Estate	2022	2023	2024	2025	2026	Hwa Li Est 2	-	-	156.98	121.42	163.80	Pahang Oil Palm	-	103.65	73.87	130.33	152.41	Complied
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3.1.3	<p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake.</p> <p>- Minor compliance –</p>	<p>The Carotino Production Unit holds management review guided by Group Guideline for Internal Auditing and Management Review of the Sustainability and Supply Chain System; Doc Ref Number: T/001-03/2018; Doc Date: 03/06/2018 Version 3.</p>	Complied																		

		<p>As per the Guideline, the annual RSPO P&C and RSPO SCC internal audit has been performed at the Carotino Palm Oil Mill and its Supply Base by the Internal Control Team (ICT) from the HQ Sustainability Unit. Audit findings issued to the CPU were acted upon and all corrective actions taken were verified and closed satisfactorily by the ICT. Management review was conducted at HQ level for all operating units on 20/07/2021.</p>	
<p>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.</p>			
<p>3.2.1</p>	<p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification. - Critical (Major) compliance –</p>	<p>Continuous improvement plan, FY 2021/2022 (July – June)</p> <ul style="list-style-type: none"> i) Minimize use of certain pesticides – 3 round of circle and 1 round of selective spray (to reduce and control of usage) ii) Reduction in use of pesticide iii) Environmental -IPM/increase BOB/BP/riparian Guatemala Grass iv) Waste reduction – waste segregation v) GHG – fossil fuel reduction plan vi) Social and welfare – house repair and furniture replacement 	<p>Complied</p>
<p>3.2.2</p>	<p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p> <p>PROCEDURAL NOTE: The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed. Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required. - Minor Compliance -</p>	<p>The company has maintained the submission of its GHG calculation using RSPO Palm GHG calculator and ACOP to RSPO secretariat. The documents were made available during this assessment.</p>	<p>Complied</p>

Criterion 3.3: Operating procedures are Appropriately documented, consistently implemented and monitored.																																							
<p>3.3.1</p>	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place. - Critical (Major) compliance -</p>	<p>JC Chang Group has established working documents that include SOPs and Guidelines for use by its estates and mills. They cross referenced to RSPO MYNI:2019 P&C Indicator Number for ease of locating the required document. They are listed in the Guidelines Register and categorised as follows:</p> <table border="1" data-bbox="1146 587 1921 1324"> <thead> <tr> <th>Group</th> <th>Document Category</th> <th>Total Titles</th> <th>Version / Date updated</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Oil Palm Nursery and Replanting</td> <td>18</td> <td>V9 19.01.2022</td> </tr> <tr> <td>B</td> <td>Upkeep and Cultivation</td> <td>30</td> <td>V13 24.10.2019</td> </tr> <tr> <td>C</td> <td>Soil. Water and Biodiversity Conservation & Management</td> <td>25</td> <td>V7 19.8.2017</td> </tr> <tr> <td>D</td> <td>FFB Harvesting and despatch</td> <td>9</td> <td>V5 20.10.2016</td> </tr> <tr> <td>E</td> <td>Legal Employment, Welfare, Communication and Consultation</td> <td>20</td> <td>V9 22.05.2020</td> </tr> <tr> <td>F</td> <td>Waste and Pollution Management</td> <td>19</td> <td>V8 16.10.2017</td> </tr> <tr> <td>G</td> <td>Vehicles and Workshop Management</td> <td>6</td> <td>V1 24.08.2016</td> </tr> <tr> <td>H</td> <td>Store Management</td> <td>8</td> <td>V3 15.9.2016</td> </tr> </tbody> </table>	Group	Document Category	Total Titles	Version / Date updated	A	Oil Palm Nursery and Replanting	18	V9 19.01.2022	B	Upkeep and Cultivation	30	V13 24.10.2019	C	Soil. Water and Biodiversity Conservation & Management	25	V7 19.8.2017	D	FFB Harvesting and despatch	9	V5 20.10.2016	E	Legal Employment, Welfare, Communication and Consultation	20	V9 22.05.2020	F	Waste and Pollution Management	19	V8 16.10.2017	G	Vehicles and Workshop Management	6	V1 24.08.2016	H	Store Management	8	V3 15.9.2016	<p>Non-compliance</p>
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3.3.2	A mechanism to check consistent implementation of procedures is in place. - Minor Compliance -	To ensure procedures are always followed the Mechanism to Check Consistent Implementation of SOP Doc Ref No. U/025-01/2015	Complied																																												

		<p>Effective date 08/09/2015 is used.</p> <p>At the assessed Operating Units of Carotino Pahang POM, Hwa Li Estate 2, Pahang Oil Palm Estate 1, the checks were carried out by the respective Supervisor Staff, Assistant Manager and Manager. For example, the Field/Mill Supervisor conduct on-site visit to check, Assistant Manager to confirm and Estate/Mill Manager to approve.</p> <p>The General Manager conducts annual visits to assess and consult on deviations to the SOPs and provide advisory on improvements to be done at the operating units.</p>	
<p>3.3.3</p>	<p>Records of monitoring and any actions taken are maintained and available. - Minor Compliance –</p>	<p>Operating units visited maintain all records of monitoring and were made available for review. The Mill Manager and Estate Managers are accountable to monitor the estates compliance towards the SOP, Budget and Productivity.</p> <p>Various checklists were available and being used by the estates and mill for operations, health and safety monitoring, workers' welfare and environmental issues. Among others, the sighted reports available are as below:</p> <p><u>Estates</u></p> <p>Line site Inspections (Weekly) Internal Audit (Yearly) PPE Checklist (Daily) SOP Monitoring Safe Work for General Work (weekly) SOP Monitoring Safe Work for Sprayers and Mechanization (weekly) SOP Monitoring Safe Work for Field Conductor (weekly) SOP Monitoring Safe Work for Tractor Driver (weekly) SOP Monitoring Safe Work for Traceability for Harvester (weekly)</p>	<p>Complied</p>

		<p>SOP Monitoring Safe Work for Manurer and Mechanization (weekly) FFB harvesting and despatch Manuring Program Triple Rinsing and Disposal Scheduled Waste Management and Disposal</p> <p><u>Carotino POM</u> Workplace Inspections (Quarterly) Internal Audit (Yearly) PPE Checklist (Daily) Process water usage Domestic Water Usage CPO and FFB by-products generation BOD analysis Fuel and Lubricants consumption Licence and certificated machinery renewals Scheduled Waste Management and Disposal Complaints and grievances Any deviation from SOP steps, legal non-compliance, over consumption or non-normal industry practice will be recorded, investigated, correction and corrective actions taken.</p>	
<p>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.</p>			
3.4.1	<p>(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected</p>	<p>There is no new planting in any of the sampled estates nor is there new operations at the mill assessed. Nonetheless, the assessment</p>	<p>Complied</p>

	<p>stakeholders and including the impacts of any smallholder/out-grower scheme, is documented.</p> <p>- Critical (Major) compliance -</p>	<p>of environmental impact of its existing activities is documented in the following documents:</p> <ul style="list-style-type: none"> • Environmental and social Impact Assessment was done through SEIA conducted by Wild Asia where report dated 14/1/2009 was available for verification. Among the identified significant aspects were water quality and availability, contamination of soil or water, air pollution in the form of dust emissions of greenhouse gas emissions, loss of biodiversity. • Carotino Production unit has carried out the annual review of environmental and social impacts in term of Environmental and Social Improvement Plan. The review was last carried out on 1/5/2021. The plan incorporated the environmental aspect and impacts with mitigation plans for mill and estates activities. 	
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. The environmental management plan has been established to monitor the identified significant activities that give impacts to the environment. Assistant Manager of each estate/mill has been appointed the task of monitoring to ensure the plan is effectively implemented.</p>	Complied
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>Pandemic</p> <p>Action plan is for continual improvement is based on consideration on social and environmental impacts. Check for the extra effort on the control of any one of the following:</p>	<p>Each OU assessed has established their Environmental and Social Improvement Plan – West (Pahang); Doc. Ref. # N/009-02/2019; Dated: 1/05/2021. In it are Management Action Plans that showed it is being implemented and reviewed done in a participatory way as evidenced from minutes of meetings, discussions, written feedbacks/responses from stakeholders. Each Management Action Plan has identified the Social and Environmental Aspects-Impacts, Action Plan undertaken (solution and method involved), Action Plan Review, Time frame, PIC and Further Action Required After Review</p>	Complied

	<ol style="list-style-type: none"> 1. Reduction on use of herbicides 2. Environmental impacts- reduction of pollution. 3. Waste reduction- POME reduction or zero discharge. 4. Reduction of GHG gas and particulate emission 	<p>Among the issues raised and the solutions proposed include:</p> <p>Issue: Labour shortage that impact reduced crop recovery, revenue and profit.</p> <p>Recommendation: Mechanical methods or mechanization for field operation has been implemented in areas of manuring, spraying, rotoslashing and FFB evacuation and completed end November 2021. Further action is to for Estate Management to continue and maintain this practice in light of labor shortage issue and aim to improve productivity as workers become more familiar with machine operations.</p> <p>Issue: Non-renewable energy consumption that increase GHG emission leading to Global Warming.</p> <p>Recommendation: (a) Monitor fuel consumption to facilitate fuel/energy campaign, and (b) Program scheduled road maintenance to avoid inefficiency of fuel usage. Monthly fuel consumption monitoring has begun to gather a 3-year baseline data and a simultaneous road maintenance program undertaken. Further action is to continue monitor road maintenance cost, fuel consumption cost and work progress map.</p> <p>Issue Covid-19, uncertainty of the seriousness of the sickness.</p> <p>Recommendation: (a) Establish Emergency Response Plan for Covid-19; (b) follow Safety Prevention and Mitigation Procedure as recommended by Ministry of Health (MOH); (c) keep all workforce informed on current situations, and (d) conduct health and temperature screening for employees and visitors alike. Although currently situations at all OU is under control, management will continue to maintain practice, abide by MOH directives and keep all records of implementation.</p>	
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Criterion 3.5: A system for managing human resources is in place.

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3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable. - Minor Compliance -	Guidelines on procedure of recruitment, selection, hiring, promotion, retirement and termination document number E020-01/2019 dated 12/08/2019.	Complied
3.5.2	Employment procedures are implemented, and records are maintained. - Minor Compliance -	Sample of promotion has been taken for account clerk, Muniammah a/p Sivaganan for year 2021. Sighted appraisal for the staff has been done 10/08/2021. There is evidence that promotion has been done according to the procedure.	Complied
Criterion 3.6: An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			
3.6.1	(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. - Critical (Major) compliance –	Guideline on Hazard Assessment, Prevention and Control (Risk Management and Mitigation Plan), U29-01/2019 dated 15/8/2019. Rev: 03, 10/9/2021, workshop activity. Addendum CHRA dated 7/1/21 carried out by registered CHRA assessor, JKPP IH 127/171-2(08) to assess new chemical used for the manuring and spraying activity. Latest revisited CHRA was carried out on 8/12/021 by Occumed Consultancy & Services, CHRA assessor, JKPP IH 127/171-2(08). HIRARC review dated 16/12/2021 was verified after occurrence of accident at hydro cyclone. <u>Pahang Oil Palm Estate 1</u> Addendum CHRA dated 7/1/21 carried out by registered CHRA assessor, JKPP IH 127/171-2(08) to assess new chemical used for the manuring. Latest revisited CHRA was carried out on 7/12/021 by Occumed Consultancy & Services, CHRA assessor, JKPP IH 127/171-2(08).	Complied

<p>3.6.2</p>	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Critical (Major) compliance –</p>	<p>H&S plan effectiveness and monitoring documented under OHS Management Plan for 2022. For Hwa Li Estate Div. 2; the established H&S plan and programme includes:</p> <ul style="list-style-type: none"> a) OSH meeting (quarter) b) Workplace inspection (monthly) c) JKKP 8 submission (annually) d) Document review <ul style="list-style-type: none"> • Chemical register • HIRARC • SOP e) Medical surveillance (annual) f) vi) Audiometric test (annually) g) Training/briefing <ul style="list-style-type: none"> • First Aid • Safety Policy • SOP training • Emergency response plan • Fire Plan • Management of chemicals h) Baseline Noise Risk Assessment (area), NRA reg. HQ/15/PEB/00/146, DOSH reg. no. PH/07/04/1486, report ref.: NRA200102 dated 14/1/2020. <p>Excessive noise identified which recommend to carry out personal monitoring at below operation unit.</p> <ul style="list-style-type: none"> • Genset house 	<p>Complied</p>
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		<ul style="list-style-type: none"> • Maintenance • Grass cutting • Ramp Attendance • Farm tractor • Water treatment plant • Backhoe <p>i) Baseline Noise Risk Assessment (Personal Monitoring), NRA reg. HQ/15/PEB/00/146, DOSH reg. no. PH/07/04/1508, report ref.: NRA200906 dated 11/11/2020.</p> <p>Personal noise exposure monitoring results: Exceeding excessive noise of 82 dB(A)</p> <ul style="list-style-type: none"> - Maintenance - General workers (fogging) - Farm Tractor driver - Backhoe driver <p>Exceeding excessive noise of 85 dB(A)</p> <ul style="list-style-type: none"> - Maintenance - General worker (fogging) - Farm tractor driver <p>Recommendation: Audiometric testing programme (regulation 9 (1))</p> <ul style="list-style-type: none"> - Yearly audiogram - Baseline 3 months after employee commencing work <p>Latest audiometric testing was carried out on 27/4/21 by audiometry technician and reviewed by registered OHD,</p>	
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		<p>HQ/16/DOC/00/454. 10 workers send for testing and 1 worker reported to have abnormal audiometric result.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> - To appoint OHD to do proper medical examination and follow up (patient refer to OHD under Poliklinik Ar-Razi, Pekan), HQ/18/DOC/00/00223. OHD has submitted JKPP 7 form to DOSH on 29/7/2021 which confirmed the NIHL @ Noise Induced Hearing Loss case. - Hearing Conservation Programme (HCP) initiative (28/7/21) <p><u>Carotino POM</u></p> <p>Latest annual and baseline audiometric testing was carried out on 10/1/2022, for 52 workers. For 2020, it was carried out on 11/11/20 37 workers. Hearing Conservation Programme (HCP) initiative was done on 5/12/21.</p> <p>CHRA was carried out on 24/1/2018. Refer to report ref: HQ/09/ASS/00/102-2017/019, DOSH assessor HQ/09/ASS/00/102 dated 24/1/2018</p> <p><u>Medical Surveillance</u></p> <p>2021 – by Poliklinik Ar- Razi X-ray and Perubatan, OHD: HQ/20/DOC/00/00533. 5 personnel involved (Laboratory), 14/4/2021. All fit to work, USECHH 3</p> <p>Personal Chemical Exposure Monitoring (limit)</p> <p>Welding fumes: 15 MEL/CL (mg/m3)</p> <p>Iron Oxide: 15 (mg/m3)</p> <p>Manganese: 0.6 (mg/m3)</p>	
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		<p>Sodium Hydroxide: 2CL (mg/m3) Koalin: 6 (mg/m3) n-Hexane: 528 (mg/m3) Exposure is below the Maximum Exposure Limit (MEL) HQ/15/JHI/00/208 dated 14/5/2020</p> <p>Baseline area noise risk assessment, DOSH re. no. PH917, HQ/15/PEB/00/146 was carried out on 15-16/1/2020 and baseline personal noise risk assessment, DOSH re. no. PH917, HQ/15/PEB/00/146 was carried out on 7/9/2020. Based on the report, excessive noise area identified as:</p> <ul style="list-style-type: none"> • Biogas engine operator • Maintenance (workshop) • Engine Driver • Oil room operator • Press Operator • Thresher Operator • Kernel Operator • Fireman • Boilerman • Maintenance workshop (electrical) <p><u>Pahang Oil Palm Estate</u></p> <p>Medical surveillance programme carried out on annual basis by OHD. Latest surveillance was done on 8/10/21 by registered OHD, HQ/19/DOC/00/00305 under My Health Clinic. Total of 13 workers</p>	
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		<p>from spraying, manuring, storekeeper, and driver were sent for annual testing. Based on USCHH 4, all workers are fit to work.</p> <p>Audiometric testing was done on 16/4/2021 by Procoma Environmental (M) Sdn Bhd. Report reference PRO/APR/21(POPED(1)/20) is referred to. Total of 20 workers from tractor drivers, blower operator, workshop personnel and general workers sent for annual audiogram. Based on the retest results on 1/11/21 by OHD, HQ/20/DOC/00/00533, none of the workers suffer NIHL.</p> <p>NRA for area monitoring was carried out on 15/1/20, DOSH reg.no. PH/108/04/1882, NRA reg. HQ/15/PEB/00/146. Refer to report ref. no. NRA 200104. Noise level exceeding 82 dB(A) identified as per below:</p> <ul style="list-style-type: none"> a) Workshop (hammer/knocking, cutting machine) b) General area (Grass cutting machine, fogging machine) c) Plantation area (Farm tractor/mini tractor/bulldozer) <p>Baseline personal NRA was carried out on 15/1/20, DOSH reg.no. PH/108/04/1882, NRA reg. HQ/15/PEB/00/146. Refer to report ref. no. NRA 200905. Recommendation by assessor as per the following:</p> <ul style="list-style-type: none"> a) To provide PHP (personal hearing protector) with sufficient Noise Reduction Rating (NRR) for workers exposed to area equal or above Noise Exposure Limit at: <ul style="list-style-type: none"> • Maintenance • Farm Tractor Driver 	
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		<ul style="list-style-type: none"> • Mini Tractor Driver • Blower operator • General worker (grass cutter) <p>b) Administration control, hearing protection zone signage c) Audiometric testing (annual) d) Hearing conservation programme</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>Formal training program for the year 2020/2021 was published and made available at beginning of each Financial Year and implemented. Training identification and needs analysis were applied to recognize the staff, workers and contractor’s deficient skills or knowledge gaps, particularly, in aspects of RSPO P&C and the Supply Chain Certification System. There is no associated smallholders at this Certification Unit.</p> <p>Following the training given, regular assessment of training was conducted either by the Trainer or their immediate Supervisor to gauge trainees’ understanding. Else, refresher course will be organized.</p> <p>For Pesticide Handlers the emphasis on training is on health and environmental risks of pesticide exposure as well as risk recognition of acute and long-term exposure symptom. .</p> <p>With regards to RSPO P&C Awareness, a joint training session was held by Carotino Pahang Production Unit for its Operating Units - Hwa Li Estate 1, Hwa Li Estate 2, Pahang Oil Palm Estate, Asia Oil Palm Estate, Maran Oil Palm Estate held Pahang Oil Palm Estate Conference Room.</p>	Complied

3.7.2	<p>Records of training are maintained.</p> <p>- Minor Compliance –</p>	<p>Training records were observed updated and maintained. In general, the identified trainings covered the aspects of safety, environment, best practices and social.</p> <p>Sampled a few of the following training records at the respective assessed operating units, FY 2021/2022:</p> <ol style="list-style-type: none"> 1. Safe & standard operating procedure for all workstation and operation 2. HCV awareness 3. RSPO MYNI 2019 awareness 4. Chemical handling and safety data sheet 5. Fire evacuation drill 	Complied
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>Carotino Palm Oil Mill SCCS training including Traceability were conducted in year 2021 for all FFB Graders, Weighbridge Clerk, Security staff and Mill Executives.</p>	Complied
<p>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)</p>			
3.8.1	<p>Identity Preserved Module</p> <p>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.</p> <p>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</p>	<p>Carotino Palm Oil Mill only receives certified FFB. Therefore, qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>	Complied

	without physically separating them, then only Mass Balance Module is 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>	Not applicable as Carotino POM opted for IP model.	Not Applicable
3.8.3	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.	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).	Complied
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	The parent company (JC Chang Group) is the member of RSPO. Membership No.: 2-0029-06-000-00 since 5/3/2010. Palmtrace member ID: RSPO_PO1000000128 (Carotino Sdn Bhd).	Complied
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> <p>a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</p>	<p>a) Among the established SOP are:</p> <p>i. CCP/01-05/2019 (SOP at Reception Station) dated 15/07/2019.</p> <p>ii. CCP/08-07/2019 (SOP at dispatch CPO & PK), dated 15/07/2019.</p> <p>iii. SCC/10-05/2019-CPOM (SOP for RSPO SCC standard products calculation, dated 01/07/2019)</p> <p>iv. Mechanism for Handling Non-Conforming FFB, CCP11-</p>	Complied

	<ul style="list-style-type: none"> b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). c) 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. d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill. 	<p>04/2019 dated 16/07/2019</p> <ul style="list-style-type: none"> v. SOP for reporting and documentation, CCP/12-43/2018. dated 10/07/2019. b) Training for supply chain has been conducted for each work station that related to receiving and despatching products. Training for weighbridge station has been done on 08/12/2021 by Mr Chandran. c) Identification of the role of the PIC for supply chain has been done and sighted in the appointment letter to Mr Kenny Alvin Ligonjang dated 07/07/2014. d) Refer (a) 	
<p>3.8.6</p>	<p>Internal Audit</p> <ul style="list-style-type: none"> i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill: <ul 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. 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 subject to management review at least annually. The mill shall maintain the internal audit records and reports. 	<p>The internal audit conducted was in accordance with the Internal Audit written procedure, Guideline for Internal Auditing and Management Review of the Sustainability and Supply Chain System; Doc Ref. No: T/001-03/2018; Subject: Audit Procedures & Management Review; Doc Date: 03/06/2018.</p> <p>Internal audit has been done on 11/06/2021 by Mr Wong Chun Wei and Ms Kavitha which cover all requirement in the RSPO. There is no non conformities has been raised for supply chain during the audit.</p>	<p>Complied</p>

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<p>3.8.7</p>	<p>Purchasing and Goods In</p> <ul style="list-style-type: none"> i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage. iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents. 	<p>Carotino POM only received FFB from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate). Samples as below</p> <ul style="list-style-type: none"> a. Asia Oil Palm Estate, 18/01/2022, ticket number FFB22000609W b. Maran Estate, 18/01/2022, ticket number FFB22000585W 	<p>Complied</p>
<p>3.8.8</p>	<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 example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> a) The name and address of the buyer; b) The name and address of the seller; c) The loading or shipment / delivery date; d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation; i) A unique identification number. 	<p>Sales of goods outs has been recorded for both CPO and PK. Sample has been taken as per below</p> <p>Sang Kee Edible Oils Sdn Bhd Dated: 26/12/2021 Date document issued: 26/12/2021 RSPO certificate number RSPO 649410 Product: IP Palm Kernel Quantity : 39.12mt Other transportation document : Palm kernel checklist, palm kernel requisition, palm kernel delivery order. Ticket number PK21000145W</p> <p>Carotino Sdn Bhd Dated: 09/12/2021 Date document issued: 09/12/2021 RSPO certificate number RSPO 649410 Product: IP Crude Palm Oil Quantity : 38.14mt</p>	<p>Complied</p>

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		Other transportation document : despatch note, despatch tanker checklist, palm oil collection Ticket number CP021000613W	
3.8.9	<p>Outsourcing Activities</p> <p>i) The mill shall not outsource its milling activities. In cases where he 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>Outsourcing activities in Carotino POM only involves transportation of products, i.e. CSPO and CSPK, subjected to the buyers' contractual requirements. Mostly delivered contracts involved CSPO and CSPK. Implementation for Outsourcing activities was based on the procedure System Management & Documentation; CCP14 Outsourcing Activities; Version 2 (CCP/14-02/2019) Document Date: 13/09/2019.</p> <p>The Procedure System Management & Documentation; CCP14 Outsourcing Activities; Version 2 (CCP/14-02/2019) Document Date: 13/09/2019 states that the site has legal ownership of all input materials to be included in outsourced processes</p> <p>The mill has established a Transportation Agreement with the outsourced transporter, Hup Shing Berjaya Enterprise, dated 01/08/2018, undersigned by the Transport and Carotino POM. There is an additional clause addendum dated 27/12/2019 stating that the transport shall at all times reserve the right of the CB to audit the outsourced contractor under SCCS (RSPO) and Requirement.</p> <p>The Procedure System Management & Documentation; CCP14 Outsourcing Activities; Version 2 (CCP/14-02/2019) Document Date: 13/09/2019 has been communicated internally and to the transporter on 01/01/2020.</p>	Complied
3.8.10	The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.	<p>There is 3 transporter has been recorded in the stakeholders list for Carotino POM. Details as below</p> <p>a. Hup Shing Berjaya Enterprise</p>	Complied

		<p>b. Pritam Singh Agency Sdn Bhd c. En Lee Sing Sdn Bhd</p>	
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.	Not applicable since there is no additional contractor has been appointed.	Not Applicable
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) Accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements maintained by Carotino POM. Records verified as per the following:</p> <p>a) Training records b) Summary mass balance 2021/2022 for CPO and PK c) Transaction records (CPO, PK deliveries) d) Shipping announcement and confirmation</p> <p>ii) Retention time for all records and documents is 7 years as stated in SOP for reporting and documentation, doc. Ref. no. CP/12-04/2019 dated 10/7/2019.</p> <p>iii) Balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK are monitored on real-time basis. Opening stock for July 2021 based on summary mass balance 2021/2022 (CPO & PK) CPO – 999.85 mt PK – 169.37 mt</p> <p>December 2021 closing stock: CPO – 1,323.3 mt</p>	Complied

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		PK – 192.32 mt	
3.8.13	<p>Extraction Rate</p> <p>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.</p>	The oil extraction rate (OER) and the kernel extraction rate (KER) for Carotino POM is determined and set their own extraction rates based upon past experience, documented and applied consistently.	Complied
3.8.14	<p>Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.</p>	For the last review period, OER and KER: 20.19% and 4.47% reported from January to December 2021.	Complied
3.8.15	<p>Processing</p> <p>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.</p>	Identity Preserved has explained the processing of RSPO material to prohibit non-certified products processed. The mill is 100% received certified FFB from own certified supplying estate and produced 100% certified products. There are no non-certified materials will be received and processed as verified through summary mass balance 2021/2022 (CPO & PK)	Complied
3.8.16	<p>Registration of Transactions</p> <p>i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold 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>	<p>Shipping announcement, by contract (external buyer) or by trip to Carotino Sdn Bhd refinery. Shipping announcement will done within 7 days from the date of delivery from Carotino POM.</p> <p>Samples of shipping announcement</p> <p>a) TR-9a288f4-c9a2, 37.94 mt (own refinery)</p> <p>b) ii) TR-d0055084-a35e, 491.15 mt (external buyer)</p>	Complied
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>	RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.	Not Applicable

General corporate communications			
4.1	A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.	No off-product claim made by Carotino POM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc). Check in the company website; http://www.carotino.com/ , no RSPO trademark used so far.	Not Applicable
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 the RSPO d. State the member's history with regard to the RSPO. e. Use the RSPO trademark to promote its membership of the RSPO. Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text 'Check our progress at www.rspo.org' where the link must lead to the member's profile page.	Not applicable as no off-product claim made by Carotino POM as to date.	Not Applicable
4.3	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 oil palm products.	Not applicable as no off-product claim made by Carotino POM as to date.	Not Applicable
4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products.	Not applicable as no off-product claim made by Carotino POM as to date.	Not Applicable
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	No evidence of RSPO corporate logo used by Carotino POM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc.)	Not Applicable
Business to business communications			

5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	Business to business communication was demonstrated via shipping documentation and invoices to the next supply chain actor or buyer.	Not Applicable
5.2	When confirming the sale of certified oil palm 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.	As per interview with weighbridge operator, she said that the weighbridge ticket will be stated the info i.e: product/commodity with SCC model (Crude Palm Oil RSPO IP) and will stamp the RSPO certificate number. Verified the documents found that the supply chain model and certificate number were stated on the ticket.	Not Applicable
5.3	<p>Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options:</p> <p>a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm 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 product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation.</p> <p>b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.</p>	Carotino POM was not under distributor or wholesaler category. Thus, this requirement is not applicable.	Not Applicable
Business to consumer communication			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as ‘product-specific’ claims. Product-specific claims are voluntary.	No business to consumer communication on product specific claim made Carotino POM and only producing crude and unfinished product. This is not applicable for POM	Not Applicable

6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	No business to consumer communication on product specific claim made Carotino POM and only producing crude and unfinished product. This is not applicable for POM	Not Applicable
6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	No business to consumer communication on product specific claim made Carotino POM and only producing crude and unfinished product. This is not applicable for POM	Not Applicable
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	No business to consumer communication on product specific claim made Carotino POM and only producing crude and unfinished product. This is not applicable for POM	Not Applicable
6.5	Members shall not communicate to consumers' information about their suppliers' RSPO membership status.	No business to consumer communication on product specific claim made Carotino POM and only producing crude and unfinished product. This is not applicable for POM	Not Applicable
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	No business to consumer communication on product specific claim made Carotino POM and only producing crude and unfinished product. This is not applicable for POM	Not Applicable
6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	No business to consumer communication on product specific claim made Carotino POM and only producing crude and unfinished product. This is not applicable for POM	Not Applicable
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to	No business to consumer communication on product specific claim made Carotino POM and only producing crude and unfinished product. This is not applicable for POM	Not Applicable

	<p>ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on www.rspo.org.</p>		
MODULE B – MASS BALANCE SPECIFIC RULES			
Minimum Mass Balance content			
	<p>95% or above of the oil palm content must be RSPO MB-certified.</p>	<p>Not applicable since Carotino POM operate under IP module</p>	<p>Not Applicable</p>
	<p>Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.</p>	<p>Not applicable since Carotino POM operate under IP module</p>	<p>Not Applicable</p>
Labelling and trademark (MB)			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> • Surrounded by the text: 'Certified sustainable palm oil'. • The RSPO label MUST contain the tag 'MIXED'. The tag MIXED designates oil palm 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'. 	<p>Not applicable since Carotino POM operate under IP module</p>	<p>Not Applicable</p>

	<ul style="list-style-type: none"> Wherever the RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4 pt (1.4 mm or 0.06 inch). In on-pack communications, the RSPO trademark can be printed anywhere on the pack. Further guidance on use of the trademark is provided in the RSPO Trademark License Terms and Conditions and in Annex 1 of the Rules on Market Communications & Claims document. 		
Messaging (MB)			
	<p>Messaging ALLOWED in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> [Oil palm products]/[palm oil]/[palm kernel oil] from RSPO-certified mills and plantations were mixed with non-certified oil palm products in the supply chain. The volume of [oil palm 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. <p>In off-product communications, reference to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown in company records is allowed.</p> <p>Messaging NOT ALLOWED in storytelling in product-related communications:</p> <ul style="list-style-type: none"> Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product. 	Not applicable since Carotino POM operate under IP module	Not Applicable
Principle 4: Respect community and human rights and deliver benefits			
Criterion 4.1: The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.			
4.1.1	(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and	Carotino/JC Chang Group has established the Social & Human Rights Policy; Date: 14/11/2019; Signed by both Plantation Director	Complied

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	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. - Critical (Major) compliance -	and Mill Director respectively. The policy include prohibiting retaliation against HRD was documented and communicated.	
4.1.2	The unit of certification does not instigate violence or use any form of harassment in their operations. - Minor compliance -	Based on the interview of internal stakeholders among workers as well relevant external stakeholders, the mill and estates within Carotino Production Unit (CPU) do not instigate violence or use any form of harassment in their operations.	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/001-07/20179; Doc. date: 12/08/2019 which found effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to affected parties including internal and external stakeholders. The management should ensure the 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. The complainants, human right defender, community spokepersons and whistle-blowers will be treated fairly and given whatever protection is possible, without risk of reprisal or intimidation. So far, no complaint received in estate since 2017 in Hwa Li 2 Estate.	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 -	Communication of the procedure has been done during the muster call to workers for both estates and POM. It can be sighted base on the training records and has been confirmed through interview with the workers. While for stakeholders, it has been communicated through memo that has been sent through email	Complied

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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>There is grievance procedure for stakeholder is established from step to step with the limit of 27 days. The relevant management personnel may extend due to extenuating circumstances or with justifiable reasons time limit. So far, no complaint received from internal and external except for housing maintenance. Others are request from workers to the management.</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 to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p> <p>- Minor compliance -</p>	<p>The complaint and grievance resolution has includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p>	Complied
<p>Criterion 4.3: The unit of Certification contributes to local sustainable development as agreed by local communities.</p>			
4.3.1	<p>Contributions to community development that are based on the results of consultation with local communities are demonstrated.</p> <p>- Minor compliance -</p>	<p>Contribution has been recorded for year 2020 and 2021 for Carotino POM. The management has provided education aid for CPOM staff and workers children, free school transportation, CSR for Pahang Flood to Jabatan Alam Sekitar Pahang (KASPA) and contribution of chicken for Eid Fitri.</p>	Complied
<p>Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>			
4.4.1	<p>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available.</p> <p>- Critical (Major) compliance -</p>	<p>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.</p> <p>Land for Hwa Li Estate 2 has been leased for 99 years since 19/06/1988 until 13/05/2086 land title number H.S.(D) 2850 which mentioned syarat nyata tanah is for oil palm plantation under Carotino Sdn Bhd with total area 1659.21Hectare and total 1509.09Ha planted area.</p>	Complied

		<p>Documents showing legal ownership available for Carotino POM that located within Pahang Oil Palm Estate 1 and owns a total of 2,153.10 ha under 9 titles. Sighted sample copy of land titles for Pahang Estate kept by the mill as following:</p> <ul style="list-style-type: none"> a) Title # 27263; District: Kuantan; Sub-district: Mukim Ulu Lepar; Lot # 23605; Area: 296.2 ha b) Title # 27262; District: Kuantan; Sub-district: Mukim Ulu Lepar; Lot # 23604; Area: 202.6 ha c) Title # 27260; District: Kuantan; Sub-district: Mukim Ulu Lepar; Lot # 23607; Area: 69.67 ha <p>No issues of land dispute issue occur in all estates within the estates that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information</p>	
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	No issues of land dispute issue occur in all estates within CPU that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
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 -	No issues of land dispute issue occur in all estates within CPU that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
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 -	No issues of land dispute issue occur in all estates within CPU that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable

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 -	No issues of land dispute issue occur in all estates within CPU that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
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). - Critical (Major) compliance -	Land maps with appropriate scales showing estate's boundaries with neighbours in-line with area specified in individual land titles available. No customary land within and at the boundary of Pahang Oil Palm Estate 1 and Hwa Li Estate 2.	Not Applicable
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 -	No issues of land dispute issue occur in all estates within CPU that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
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 -	No issues of land dispute issue occur in all estates within CPU that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance -	No issues of land dispute issue occur in all estates within CPU that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
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 -	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable

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>	<p>No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.</p>	Not Applicable
4.5.3	<p>Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p> <p>- Minor compliance -</p>	<p>No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.</p>	Not Applicable
4.5.4	<p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>- Minor compliance -</p>	<p>No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.</p>	Not Applicable
4.5.5	<p>Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance -</p>	<p>No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.</p>	Not Applicable

4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance -	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
4.5.7	New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations. - Minor compliance -	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
4.5.8	(C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance -	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
Criterion 4.6: Any negotiations Concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
4.6.1	(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Critical (Major) compliance -	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	Complied
4.6.2	(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. - Critical (Major) compliance -	Refer indicator 4.6.1	Complied
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable

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4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
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 -	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	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 -	Refer indicator 4.7.1	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 -	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
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 -	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable

4.8.2	<p>(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.</p> <p>- Critical (Major) compliance -</p>	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
4.8.3	<p>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)</p> <p>- Minor compliance -</p>	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
4.8.4	<p>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).</p> <p>- Minor compliance -</p>	No new planting and customary rights has been identified in the sample operating units. Consultation with relevant stakeholders conducted on-site confirmed the information.	Not Applicable
<p>Principle 5: Support smallholder inclusion</p>			
<p>Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</p>			
5.1.1	<p>Current and previous period prices paid for FFB are publicly available and accessible by smallholders.</p> <p>- Minor compliance -</p>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
5.1.2	<p>(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).</p> <p>- Critical (Major) compliance -</p>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable

5.1.3	<p>(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented.</p> <p>- Critical (Major) compliance -</p>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
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>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
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>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
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>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
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>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable

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	- Minor compliance -		
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>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	<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>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
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>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
5.2.3	<p>Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.</p> <p>- Minor compliance -</p>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
5.2.4	<p>(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling.</p> <p>- Critical (Major) compliance -</p>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	Not Applicable
5.2.5	<p>The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme.</p>	Not applicable since Carotino POM operate under identity preserve module which only received from own supply bases (Asia Oil Palm	Not Applicable

	- Minor compliance -	Estate, Hwa Li 1 Estate, Hwa Li 2 Estate, Pahang Oil Palm Estate 1, Maran Estate)	
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>	Carotino POM and estates implemented the company's Equal Opportunity Policy; Date: 12/8/2019; Signed by both Plantation Director and Mill Director respectively. 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: 19/10/2020.	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>	Records of employments and interview conducted on-site with sampled internal and external stakeholders confirmed that the workers and groups including local communities, women, and migrant workers have not been discriminated against.	Complied
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>Carotino POM and estates implemented its recruitment based on the company's Guidelines on Procedure of Recruitment, Selection, Hiring, Promotion, Retirement and Termination; Doc. Ref. # E020-01/2019; Doc. Date: 12/08/2019. Sighted sample advertisements and records of new employee's recruitments as well as promotion of exiting employees confirmed that it was based on skills, capabilities, qualities and medical fitness necessary.</p> <p>Sample of promotion has been taken for account clerk, Muniammah a/p Sivaganan for year 2021. Sighted appraisal for the staff has been done 10/08/2021. There is evidence that promotion has been done based on skills, capabilities, qualities and medical fitness necessary for the jobs available.</p>	Complied

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6.1.4	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. - Minor compliance -	Pregnancy test only been conducted for women workers that show any symptoms of pregnancy by the hospital assistant and this to ensure that pregnant women workers did not work with chemical. It has been confirmed through interview with women workers during the site visit.	Complied
6.1.5	(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. - Critical (Major) compliance -	Gender committee has been established for each operating units and meeting will be conducted every 6 months. For Pahang Oil Palm Estate 1, latest meeting has been done on 15/12/2021 with attendance of women staff and workers. Issues that has been discussed during the meeting, chairman get confirmation on any sexual harassment issues and work condition issues. Training on policy and procedure for sexual harassment, reproductive right and complaint has been recap during the meeting.	Complied
6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	For both estates, there is no women general workers in the estate and there are 7 women working as office staff.	Not Applicable
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 -	Hwa Li 02 Estate is located in Bera district and Pahang 01 Estate and Carotino POM located in Maran district which base on Minimum Wages Act 2020, monthly pay has been set at RM 1,100/month and RM42.31/day. Details of payment has been explained in the employment contract and compliance has been verified through pay slips. As per interview, confirmed all workers aware about minimum wages and has been explained by the management.	Complied
6.2.2	(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	Employment contract is available and signed by both employee and employer. Sighted the employment contract as below: <u>Hwa Li 02 Estate</u> a. EH09342xx	Complied

	<p>compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p>	<p>b. BQ0983xx c. LT411xxx d. 06349xxxx e. C752xxxx</p> <p><u>Pahang 01 Estate</u></p> <p>a. C7472xxx b. C5029xxx c. AU142xxx d. C5017xx e. 930121-xx-xxxx</p> <p><u>Carotino POM</u></p> <p>a. 0645xxxx b. 101976xxxx c. 08801xxxx d. 002030-xx-xxxx e. 79xx26-06-xxxx</p> <p>Sighted in the employment contract, details of payment, salary, leave, dismissal and notice.</p>	
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>Records of payslip and check-roll documents available to the workers for sample employees sighted as per indicator 6.2.2 above shown 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>	Complied

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>All operating units provides adequate housing, water and electric supplies for free to all the workers. Line site inspection has been done on weekly basis. Sample has been taken for Pahang Oil Palm Estate where latest inspection has been done on 12/01/2022 and 04/01/2022. As per site visit, there is evidence that housing condition as in line with housing inspection report. For medical treatment, there is Hwa Li Estate 2 and Carotino POM which can accessible during working hours. There is vacancy for hospital assistant in Pahang Oil Palm Estate 1 due to resignation. For now, hospital assistant from Asia Estate will come on daily basis from 9 to 10 am.</p>	Complied						
6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>Each operating units has make improve for workers` acess to adequate, sufficient and affordable foods. For all Hwa Li 02 estate, one sundry shop has been established and for Carotino POM and Pahang Oil Palm Estate 1 share same sundry shop. Monitoring of price has been done where price need be submitted to the office on monthly basis and comparison has been done with outside sundry shop. There is no significant different of price has been identified</p>	Complied						
6.2.6	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE: STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</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</p>	<p>Assessment of decent living wages has been conducted and documented in the document number E/027-01/2019 title “ Implementation plan for decent living wages” document date 29/11/2019. The assessment has include all POM and estate under JC Chang Group which located in Pahang and Sabah. Average wages has been calculated for 5 months (February 2019 until June 2019), benefits in kind (housing, electric, water) and DLW base on household expenditure survey 2016, wages survey, RSPO guidance for implementing a decent living wages. Details as per below</p> <table border="1" data-bbox="1137 1286 1926 1383"> <tr> <td data-bbox="1137 1286 1532 1337"></td> <td colspan="2" data-bbox="1541 1286 1926 1337">Pahang</td> </tr> <tr> <td data-bbox="1137 1337 1532 1383"></td> <td data-bbox="1541 1337 1711 1383">Estate</td> <td data-bbox="1720 1337 1926 1383">Mill</td> </tr> </table>		Pahang			Estate	Mill	Complied
	Pahang								
	Estate	Mill							

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<p>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 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>	<table border="1"> <tr> <td>(a) Average salary</td> <td>1794.02</td> <td>1749.17</td> </tr> <tr> <td>(b) Benefit in kind</td> <td>255.69</td> <td>652.05</td> </tr> <tr> <td>Total (a)+ (b)</td> <td>2049.71</td> <td>2401.22</td> </tr> <tr> <td>DLW</td> <td>1492.73</td> <td>1492.73</td> </tr> <tr> <td>Wages GAP</td> <td>556.98</td> <td>556.98</td> </tr> </table>	(a) Average salary	1794.02	1749.17	(b) Benefit in kind	255.69	652.05	Total (a)+ (b)	2049.71	2401.22	DLW	1492.73	1492.73	Wages GAP	556.98	556.98	
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	DLW	1492.73	1492.73														
	Wages GAP	556.98	556.98														

6.2.7	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p>There is no casual and temporary workers has been employed by the management. All workers that has been employed is permanent and full time employment.</p>	Not Applicable
<p>Criterion 6.3: The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.3.1	<p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Critical (Major) compliance -</p>	<p>A statement on recognising freedom of association was published in the Social & Human Rights Policy; Date: 14/11/2019; Signed by both Plantation Director and Mill Director respectively. The policy stated that the management will respect the right of employees to join any association freely.</p>	Complied
6.3.2	<p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.</p> <p>- Minor compliance -</p>	<p>There is no union has been identified in all operating units but there is workers representative has been elected. Meeting with workers representative has been done during the JCC meeting that will be done 3 months once. Latest meeting has been done for Pahang Oil Palm Estate 1 on 16/12/2021 with attendance of all employer and employee representative.</p>	Complied
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>There is evidence that the management did not interfere with the election of the workers representative and has been confirmed base on election process document and interview with the workers. For Pahang Oil Palm Estate 1, latest election has been done on 25/06/2020 and all document related to the election has been verified.</p>	Complied
<p>Criterion 6.4: Children are not employed or exploited.</p>			

6.4.1	<p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p>	<p>Formal policy for child protection and prohibition of child labour has been documented in the document title "Polisi Perlindungan kanak-kanak" that has been signed by Plantation director, Tee Swee Kee dated 20/02/2020</p> <p>For Hwa Li 02 Estate, contractor need to signed additional agreement title "Kontrak pematuhan kemampanan dengan unit operasi di bawah ku mpulan JC Chang that has been signed on 22/10/2019. While for Carotino POM, contract agreement for CPO and PK transporters is available during the audit for 2 transporters which are Hup Shing Berjaya Enterprise and Eng Lee Sing Sdn Bhd. Stated in the compliance contract that contractor will comply with the legal requirement , disallowing child labour, force labour and trafficked labour in the business activities.</p>	Complied
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>As per verification for all operating units, there is evidence that minimum wages requirement has been met.Information of the workers has been clearly stated in the list of workers for each operating.</p> <p>Documented procedure for age screening has been established in "Guidelines on procedure of recruitment, selection, hiring, promotion, retirement and termination document number E020-01/2019 dated 12/08/2019 clause number 6 where mentioned ID workers need to be verified to ensure all the workers recruited is above 18 years old.</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>As per verified for all operating units, there is no young person has been employed base on list of workers, site visit and interview. As stated in the children protection policy in the document title " Polisi Perlindungan Kanak Kanak", no recruitment for those that below than 18 years old.</p>	Not Applicable

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6.4.4	The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live. - Minor compliance -	There is evidence that no child labour and child protection policy has been communicate to all staff and workers. base on the socialization records for each individual	Complied
Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.			
6.5.1	(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	Sexual harassment policy has been documented in the document title "Polisi Gangguan Seksual" dated 01/07/2012 that has been signed by plantation director, Mr Tee Swee Kee.	Complied
6.5.2	(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	Policy for reproductive right has been documented in document number E/015-01/2015 title "Policy of reproductive right" that has been signed by plantation director. As stated in the policy that women`s reproductive rights may include right to birth control, freedom from coerced sterilization and contraception, right for education and access in order to make free and informed reproductive choices. Communication on the policy has been done by the management for all staff and workers	Complied
6.5.3	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified. - Minor compliance -	New mother assessment has been done for Pahang Oil Palm estate in year 2020 for 1 staff during the gender committee meeting that has been done on 16/06/2021. That particular staff request for extra rest time for breast feeding. There is no new mother for Hwa Li Estate 2 and Carotino POM.	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 -	Grievance mechanism specifically for women has been established in the document title SOP on mechanism for the prevention and eradication of sexual harassment and violence in the workplace" document number E/003-01/2008 dated 01/10/2008. There is evidence that the procedure has been communicated to all workers	Complied

		and staff base on the training and further verified base on the interview.	
Criterion 6.6: No forms of forced or trafficked labour are used.			
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>	Employment contracts detailing payments and conditions of employment available to the workers for sample employees sighted as per indicator 6.2.2 above. Each employment contracts were agreed and signed by both employee and employer which confirmed that all work is voluntary and force labour are prohibited. It also ha been verified base on the interview with the workers	Complied
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>	It has been verified that no temporary or migrant workers has been employed. All workers has been employed permanently by the management	Not Applicable
Criterion 6.7: The unit of certification ensures that the working environment under its control is safe and without undue risk to health.			
6.7.1	<p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance –</p>	The responsible person(s) for H&S is identified under Safety and Health Committee which chaired by the estate manager. Verified appointment letter dated 1/7/2021 for the new Estate Manager from the Estate Department Manager as OSH Chairman. Administrative Officer appointed as OSH committee secretary based on appointment letter dated 11/8/2021. OSH meetings were carried out once every 3 months as per SH Committee Regulation 1996.	Complied

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Summary of OSH meetings for 2021 summarized as per the following:

Meeting no.	Date of meeting	Estate
#1/2021	10/2/2021	Hwa Li Estate Div.2
#2/2021	12/5/2021	
#3/2021	11/8/2021	
#4/2021	10/11/2021	
#1/2021	9/3/2021	Pahang Oil Palm Estate
#2/2021	9/6/2021	
#3/2021	9/9/2021	
#4/2021	9/12/2021	

For Carotino POM, OSH meetings for 2021 as per the following:

Meeting no.	Date of meeting
#1/2021	20/3/2021
#2/2021	Postpone due to MCO
#3/2021	Postpone due to MCO
#4/2021	14/12/2021

*Movement control order @ MCO (strict SOP to be adhered)
 Issues and concerns raised from workplace inspection (prior to meeting) and other safety related matters discussed and recorded in the meeting minutes.

<p>6.7.2</p>	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance –</p>	<p>Emergency Response Plans were available for COVID19/Pandemic, Accidents, Chemical Spillage, Flood, Fire, Poisoning and Attacked by venomous insect or animal. The ERP and Emergency Contact Numbers were seen to be displayed at the office and stores. Interview with the workers indicated they all workers they are aware on the ERP and Emergency Contacts to be contacted during emergencies.</p> <p>Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Latest ERP briefing was carried out on 2/8/2021 and 11/8/2021. For Carotino POM, the latest first aid training was carried out on 1/7/21. Earlier this year, fire demonstration and drill were also conducted as part of annual training plan on 8/1/22. As for Pahang Oil Palm Estate, the latest fire drill was carried out on 10/8/21.</p> <p>Records of all accidents are kept and reviewed during quarterly OSH meeting. Summary of accidents reported under JKKP 8.</p>	<p>Complied</p>
<p>6.7.3</p>	<p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Critical (Major) compliance –</p>	<p>All workers have been provided with appropriate personal protective equipment (PPE), which is provided by the management free of charge. During the field visit to the Spraying Gang and Harvesting Gang, it was sighted that all required appropriate PPEs were worn by the personals. However, for workshop personnel, appropriate personal protective equipment (PPE) was not provided to at the place of work to cover all potentially hazardous operations</p> <p><u>Hwa Li 2 Estate</u></p> <p>Based on PPE issuance records, no records of safety boots provided to the workshop personnel. Only rubber boots given to them based</p>	<p>Non-compliance</p>

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		<p>on date of issuance; 1/3/21 and 23/11/20 for the foreman and his assistant.</p> <p>HIRARC register, rev:3_2021 dated 10/9/2021 for workshop activity stated that proper footwear to be provided and contrary with the established SOP, PBDS – <i>Mekanik and Pekerja Bengkel (Bahasa Malaysia), doc. Ref. no. M/009 -01/2007 dated 13/2/2007</i></p> <p><i>a) Mekanik mesti memakai but keselamatan dan topi keselamatan setiap masa semasa berada didalam bengkel dan ketika bekerja di luar bengkel.</i></p> <p>Thus, a major NC was raised.</p> <p>The estates have well maintained facilities for the workers to sanitise themselves prior to returning home from work. The showers were all in good working condition. Interview with workers indicated that they were all well aware that they have to sanitise themselves before returning home due to the hazard that the chemical residues could cause.</p>	
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><u>Hwa Li 2 Estate</u> Jadual Caruman 8A, for 99 workers, employer code E1404889M for December 2021.</p> <p><u>Carotino POM</u> Jadual Caruman 8A, for 96 workers, employer code F7401440Y for December 2021.</p> <p><u>Pahang Oil Palm Estate 1</u></p>	Complied

		Jadual Caruman 8A, for 76 workers, employer code F7400001012P for December 2021. Based on the above records, it has been confirmed that all workers are covered by SOCCO in accordance with Malaysian law													
6.7.5	Occupational injuries are recorded using Lost Time Accident (LTA) metrics. - Minor compliance -	Occupational injuries recorded using Lost Time Accident (LTA) metrics as per the following: <table border="1"> <thead> <tr> <th>Estate/Mill</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Hwa Li Estate 2</td> <td>43 incidents (43 LTI)</td> <td>47 incidents (96 LTI)</td> </tr> <tr> <td>Carotino POM</td> <td>3 incidents (0 LTI)</td> <td>1 incident (58 LTI)</td> </tr> <tr> <td>Pahang Oil Palm Estate</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>* Compensation claim is still in progress. Submission to Labour Department dated 15/12/2021 was referred to.</p>	Estate/Mill	2020	2021	Hwa Li Estate 2	43 incidents (43 LTI)	47 incidents (96 LTI)	Carotino POM	3 incidents (0 LTI)	1 incident (58 LTI)	Pahang Oil Palm Estate	0	0	Complied
Estate/Mill	2020	2021													
Hwa Li Estate 2	43 incidents (43 LTI)	47 incidents (96 LTI)													
Carotino POM	3 incidents (0 LTI)	1 incident (58 LTI)													
Pahang Oil Palm Estate	0	0													
Principle 7: Protect, conserve and enhance ecosystems and the environment															
Criterion 7.1: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.															
7.1.1	(C) IPM plans are implemented and monitored to ensure effective pest control. - Critical (Major) compliance –	IPM plan documented under environmental improvement plan dated 21/11/21. the estates have implemented an IPM Plan Practices Through Monitoring, Prevention & Intervention. The plan has identified target pest such as Rats, Leaf – Eating Caterpillar and Rhinoceros Beetle. The intervention plans include providing barn owl boxes at ration of 1:20 ha and gradually increase to 1:10 ha and eventually 1:5 ha over time as the population of owl increases, cultivate beneficial plants for biological control of bagworms and other leaf eating caterpillar & erect pheromone traps along estate boundary where it is required.	Complied												

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7.1.2	Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented. - Minor compliance -	No species referenced in the Global Invasive Species Database and CABI.org were used within Carotino Production Unit.	Complied									
7.1.3	There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities. - Minor compliance -	There is no use of fire for pest control treatment @ phyto-sanitation and in line with JC Chang's Guidelines on Integrated Pest and Disease Management of Oil Palm, doc. ref. L/001-07/2019 dated 13/8/19 under section 6, Fire Control.	Complied									
Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.												
7.2.1	(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised. - Critical (Major) compliance –	SOP named Justification for Insecticides, Fungicide and Rodenticide Usage Under Integrated Pest Management (IPM), doc ref. no. B/008/-15/2019 dated 2/8/2019 is referred to. Foliar spray on leaf eating insects (immature palms, 1-6 years) – Cypermethrin 5.50% Oryctes Rhinoceros beetle (during replanting) – Carbofuran 3% Insecticides spray (nursery) – Dimethoate 38%	Complied									
7.2.2	(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. - Critical (Major) compliance –	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) summarized as per below: <table border="1" data-bbox="1137 1098 1926 1284"> <thead> <tr> <th>Year</th> <th>Ai/ ha</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>FY2020/2021</td> <td>2.136</td> <td>Pahang Oil Palm Div.1 Estate</td> </tr> <tr> <td>FY2020/2021</td> <td>2.07</td> <td>Hwa Li Estate Div2</td> </tr> </tbody> </table>	Year	Ai/ ha	Estate	FY2020/2021	2.136	Pahang Oil Palm Div.1 Estate	FY2020/2021	2.07	Hwa Li Estate Div2	Complied
Year	Ai/ ha	Estate										
FY2020/2021	2.136	Pahang Oil Palm Div.1 Estate										
FY2020/2021	2.07	Hwa Li Estate Div2										
7.2.3	(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.	The estates have implemented an Integrated Pest Management Plan and a Continuous Improvement Plan where they have stated the intention to reduce the usage of chemical through	Complied									

	- Critical (Major) compliance –	implementation of Integrated Pest Management Plan. Sighted during the site visit at the estate, the establishment of beneficial plants along the estate roads and immature areas as well as barn owl boxes placed at strategic areas. Paraquat was eliminated. In its place, alternatives such as Glyphosate is used instead	
7.2.4	There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines. - Minor compliance -	Only one type of prophylactic pesticides used for pre-nursery fungicides prevention. Chemical named Antracol with active ingredient (Propineb 70%) applied with 20 gram/10 litre of water. SOP named Justification for Insecticides, Fungicide and Rodenticide Usage Under Integrated Pest Management (IPM), doc ref. no. B/008/-15/2019 dated 2/8/2019	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. - Minor compliance –	Prohibited or banned pesticides by the Malaysian Pesticides Board is strictly barred by JC Chang Group. JC Chang Group only purchases chemicals that are registered under the Malaysian Pesticides Act 1974 (Act 149) and Regulations. Sighted in the Chemical Registers showed that only class III & IV pesticides were used at the estates. During the site visit to the chemical stores it was justified that there were only class III and IV chemicals being used. Paraquat was eliminated. In its place, alternatives such as Glyphosate were used instead.	Complied
7.2.6	(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance	Pesticide operators are given training on the safe handling and application of the pesticides. Suitable personal protective	Complied

	<p>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>equipment's and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was verified during the interview with workers in the estate and mill. Related trainings for the pesticide applicator can be found under criterion 3.7.</p>	
<p>7.2.7</p>	<p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance –</p>	<p>At estates assessed the storage of pesticides was in accordance with the Occupational Safety and Health Act 1994 (Act 514), Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. All information regarding the chemicals affixed as product label and the accompanying Safety Data Sheet (see OSH CLASS 2013 Regulations) with details of its usage, hazards, trade and generic names were made available at the chemical store and explained to the workers by Management. Chemical stores inspection noted the following being practised:</p> <ol style="list-style-type: none"> a. All stores were secured under lock and key with only authorized personnel access. b. Adequate Ventilation via ventilation fan. c. Display of Safety Pictorial Posters, namely the required PPE and d. Chemical Safety Hazards Pictogram. e. Pesticides were labelled and separated by class. f. Daily balance of remaining chemicals after completion of pre-mixing were recorded, placed in secondary tray spill containment and kept in the same store under lock and key. g. Concrete cemented floor, bund wall and provision of sump pond. Sump Pond was diverted to the field. h. Store keeper was trained in the handling of all pesticides, for example, the precautions to store the heavy bulky 20-liter 	<p>Complied</p>

		liquid container to be placed at the bottom on secondary tray containment and the smallest container on the top tier rack	
7.2.8	All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes. - Minor compliance –	<p>The visited estates use the empty chemical containers as premix containers to transport chemical premix to the field for chemical spraying operations. Excess used chemical containers are triple rinsed and perforated at the bottom and then stored at the Empty Chemical Container Store. Visit to the store showed that all chemical containers stored were triple rinsed and punctured accordingly. The accumulated chemical containers are then disposed through licensed waste collector. Verified the records of disposal as below:</p> <p><u>Hwa Li Estate 2</u></p> <ul style="list-style-type: none"> • Waste Manager: Syarikat Indah Agro Sdn Bhd; • Date:17/01/2022; • Materials: 20 Litres Container: 15 Units, 5 Litres Containers: 6 Units, 4 Litres Containers: 16 Units, 500 gm Containers: 51 Units and Nozzle 12 Damaged CKS Pump 5 Units. Storm Container 15 units <p><u>Pahang Oil Palm Estate</u></p> <ul style="list-style-type: none"> • Waste Manager: Indah Agro Sdn Bhd • Date: 15/01/2022 • Materials: 20 Litres Container: 63 Units, 4 Litres Containers: 112 Units, 10kg containers: 10 units and 500 g Containers: 100 Units. 	Complied
7.2.9	(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is	No aerial spraying observed at JC Chang’s group estates.	Not Applicable

	provided to affected local communities at least 48 hours prior to application of aerial spraying. - Critical (Major) compliance –		
7.2.10	(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated. - Critical (Major) compliance –	<p><u>Pahang Oil Palm Estate</u> Medical surveillance programme carried out on annual basis by OHD. Latest surveillance was done on 8/10/21 by registered OHD, HQ/19/DOC/00/00305 under My Health Clinic. Total of 13 workers from spraying, manuring, storekeeper, and driver were sent for annual testing. Based on USECHH 3 and 4 report, all workers are fit to work with no detrimental of health.</p> <p><u>Hwa Li Div.2 Estate</u> Total of 44 workers from pest control, manuring, rat bait, nursery, fogger, workshop and genset were sent for annual medical surveillance by registered OHD, HQ/08/DOC/00/545. Refer to report no. 067/OHD/2021. Based on USECHH 3 and 4 report, all workers are fit to work with no detrimental of health.</p>	Complied
7.2.11	(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. - Critical (Major) compliance –	No underage person, pregnant or breast-feeding women and other people that have medical restrictions working with pesticides. Medical surveillance record of those pesticides’ operators were examined and all of them were certified fit with no detrimental of health.	Complied
Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.			
7.3.1	A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented. - Minor compliance –	Carotino POM and the 2 estates assessed had identified all wastes and sources of pollution. The Guideline on Wastes and Waste Products Identification and Disposal Plan for Estates and Mill Doc Ref. No. F/007-06/2016 was used and all wastes disposed were recorded.	Complied

		<p>The Guideline was established to manage, mitigate and control the identified wastes and source of pollution and disposal plan. The common significant environmental waste generated from the mill/estates operations as shown below:</p> <table border="1"> <thead> <tr> <th data-bbox="1137 580 1258 660">Types of waste</th> <th data-bbox="1258 580 1370 660">Sources</th> <th data-bbox="1370 580 1787 660">Details</th> <th data-bbox="1787 580 1921 660">Disposal means</th> </tr> </thead> <tbody> <tr> <td data-bbox="1137 660 1258 1206" rowspan="2">Scheduled</td> <td data-bbox="1258 660 1370 922">Mill Laboratory</td> <td data-bbox="1370 660 1787 922"> <ul style="list-style-type: none"> Spent chemicals (IPA, n-hexane, etc.); PPE, containers, bags, rags, plastics, papers, filters, contaminated with chemicals; used batteries, fluorescent tubes, bulbs and e-wastes </td> <td data-bbox="1787 660 1921 1206" rowspan="2"> <ul style="list-style-type: none"> Through DOE Registered Licenced Contractors </td> </tr> <tr> <td data-bbox="1258 922 1370 1206">Mill process and workshop</td> <td data-bbox="1370 922 1787 1206"> <ul style="list-style-type: none"> PPE, items (containers, bags, rags, plastics, papers, filters or equipment) contaminated with chemicals, paints, lubricants, hydraulic oil, grease, scheduled wastes, sludge used batteries, fluorescent tubes, bulbs and e-wastes </td> </tr> </tbody> </table>	Types of waste	Sources	Details	Disposal means	Scheduled	Mill Laboratory	<ul style="list-style-type: none"> Spent chemicals (IPA, n-hexane, etc.); PPE, containers, bags, rags, plastics, papers, filters, contaminated with chemicals; used batteries, fluorescent tubes, bulbs and e-wastes 	<ul style="list-style-type: none"> Through DOE Registered Licenced Contractors 	Mill process and workshop	<ul style="list-style-type: none"> PPE, items (containers, bags, rags, plastics, papers, filters or equipment) contaminated with chemicals, paints, lubricants, hydraulic oil, grease, scheduled wastes, sludge used batteries, fluorescent tubes, bulbs and e-wastes 	
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			<ul style="list-style-type: none"> Estate store and workshop <ul style="list-style-type: none"> • PPE, containers of pesticides, lubricants, hydraulic oil, grease, and other items contaminated with scheduled wastes • used batteries, fluorescent tubes, bulbs and e-wastes Estate Clinic <ul style="list-style-type: none"> • Clinical waste 		
		Industrial	<ul style="list-style-type: none"> Mill <ul style="list-style-type: none"> • Black smoke and particulate dust from boiler stack, vehicles and generator. GHG from biogas plant, anaerobic processes (ETP) • EFB, boiler ash, POME • Fiber, palm kernel shell • scrap iron. • Cleaning water/run-off/process station waters (hydrocylcone, sterilization condensate, clarification waste & boiler quenching and blow down. 	<ul style="list-style-type: none"> Air Nutrient recycle in estate. Reuse as boiler feed Recycler Reuse 	

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		Estate	<ul style="list-style-type: none"> • Clean water from chemical premixing. • Residual agrochemical recovery from container triple rinsing. 	<ul style="list-style-type: none"> • Reuse
	Domestic	Office and line site	<ul style="list-style-type: none"> • Food waste. • Office and line site 3R Wastes. 	Landfill Reuse / Recycle
	Sewage		Sewage from office and line site.	Sewage system
<p>As a rule, the scheduled wastes were disposed through licensed vendors, recyclable wastes through recycle centres and domestic organic wastes through landfill while mill organic wastes are sent to estates for nutrient recycling. Industrial wastes such as emissions of black smoke, fumes, GHG and particulates and those discharge to water are controlled by reduction of waste generation, that is, (a) periodic inspections and servicing of machinery and equipment for performance efficiency, and (b) use less water or recycle water during washings.</p> <p>See indicator 7.2.8 above for evidence of disposal of triple rinse containers, and, 7.3.2 for disposal of other Recyclable Wastes and Scheduled Wastes.</p>				

<p>7.3.2</p>	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p>	<p>Generally, the workers have demonstrated good understanding in proper disposal of wastes. The visited labour quarters were observed to be in clean condition. Wastes were properly disposed as mentioned in Indicator 7.3.1.</p> <p>Sampled wastes record at</p> <ul style="list-style-type: none"> Hwa Li Est 2, evidence of recycle wastes had been delivered to a recycle centre (Perniagaan Barangan Lusuah Jabi Lama Sdn Bhd) can be seen through invoice no. receipt SV00261, dated 17/1/2022. Among the wastes delivered were scrap iron and aluminium scrap (carton box, aluminium cans and plastic bottles, paper - free). POPE1 <p>Evidence of Scheduled Waste disposed to licenced contractor via verification of eSwis record as follows.</p> <table border="1" data-bbox="1144 943 1921 1225"> <thead> <tr> <th>Consignment Note No.</th> <th>Waste Code</th> <th>Quantity , mt</th> <th>Date disposed</th> </tr> </thead> <tbody> <tr> <td>20220114165E8QU0</td> <td>409</td> <td>0.198</td> <td>14.1.2022</td> </tr> <tr> <td>20220114169LMF5K</td> <td>410</td> <td>0.165</td> <td>14.1.2022</td> </tr> <tr> <td>2021122716EZA08J</td> <td>305</td> <td>0.80</td> <td>27.12.2021</td> </tr> <tr> <td>2021120208JTS1RZ</td> <td>404</td> <td>0.0038</td> <td>2.12.2021</td> </tr> </tbody> </table>	Consignment Note No.	Waste Code	Quantity , mt	Date disposed	20220114165E8QU0	409	0.198	14.1.2022	20220114169LMF5K	410	0.165	14.1.2022	2021122716EZA08J	305	0.80	27.12.2021	2021120208JTS1RZ	404	0.0038	2.12.2021	<p>Complied</p>
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<p>7.3.3</p>	<p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p>	<p>No open fire was noted use and sightings at field and line site confirm no burnt marks sighted.</p>	<p>Complied</p>																				
<p>Criterion 7.4: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>																							

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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 JC Chang / Carotino established SOP- Methods of nutrient assessment for oil palm fertilizer recommendation (B/012-02/2012 Guidelines for Compost Application (B/028-01/2017), Guidelines for Semi-Decomposed EFB Application (B/030-01/2019) and SOP-Soil and water conservation (C/002-01/2008).</p> <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 Maran Estate and Asia Oil Palm Estate operate in accordance with the Agriculture Manual and standard operating procedures. The practices are consistently monitored by estate operation management and Regional 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>	Estate	Foliar analysis (yearly)	Soil Sampling (5 yearly)	Complied
		Hwa Li Estate 2	<p>email Ref: AARSB by Jia ref: 7/3/2020, dated 30/01/2020</p> <p>no sample taken in 2021 due to MCO</p>	<p>email Ref: AARSB by Jia dated 23/065/2020</p> <p>no sample taken in 2021 due to MCO</p>	
		Pahang Oil Palm Estate 1	<p>email Ref: AARSB by Jia ref: 7/3/2020, dated 30/01/2020</p> <p>no sample taken in 2021 due to MCO</p>	<p>email Ref: AARSB by Jia dated 23/065/2020</p> <p>no sample taken in 2021 due to MCO</p>	

7.4.3	A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers. - Minor compliance -	At Hwa Li Estate 2, only palm frond recycle was practiced while at Pahang Oil Palm Estate 1 in addition to palm frond, POME and EFB was recorded applied in year 2021.	Complied																				
7.4.4	Records of fertiliser inputs are maintained. - Minor compliance -	Yes, records of fertilizer inputs were sighted maintained on file. Its being applied using spreader and type of fertilizer and rate as recommended by agronomists.	Complied																				
Criterion 7.5: Practices minimise and control erosion and degradation of soils.																							
7.5.1	(C) Maps identifying marginal and fragile soils, including steep terrain, are available. - Critical (Major) compliance -	<p>Maps showing marginal and fragile soils including steep terrain produced by Department of Agriculture were available at all estates assessed. Sighted the soil series available in the soil maps at these estates as shown below.</p> <table border="1" data-bbox="1137 826 1921 1326"> <thead> <tr> <th data-bbox="1137 826 1335 938">Hwa Li Estate 2</th> <th data-bbox="1341 826 1538 938">Class / Terrain</th> <th data-bbox="1545 826 1742 938">Pahang Oil Palm Estate 1</th> <th data-bbox="1749 826 1921 938">Class / Terrain</th> </tr> </thead> <tbody> <tr> <td data-bbox="1137 943 1335 1054">Sekutuan Bungor-Melaka 2</td> <td data-bbox="1341 943 1538 1054">Undulating (2⁰-6⁰)</td> <td data-bbox="1545 943 1742 1054">Awang</td> <td data-bbox="1749 943 1921 1054">Flat (0⁰- 2⁰)</td> </tr> <tr> <td data-bbox="1137 1059 1335 1134">Bungor</td> <td data-bbox="1341 1059 1538 1134">Undulating (2⁰-6⁰)</td> <td data-bbox="1545 1059 1742 1134">Colluvium</td> <td data-bbox="1749 1059 1921 1134">Flat (0⁰- 2⁰)</td> </tr> <tr> <td data-bbox="1137 1139 1335 1214">Durian</td> <td data-bbox="1341 1139 1538 1214">Undulating (2⁰-6⁰)</td> <td data-bbox="1545 1139 1742 1214">Klawang</td> <td data-bbox="1749 1139 1921 1214">Undulating (2⁰-6⁰)</td> </tr> <tr> <td data-bbox="1137 1219 1335 1326">Jempol</td> <td data-bbox="1341 1219 1538 1326">Undulating (2⁰-6⁰)</td> <td data-bbox="1545 1219 1742 1326">Kompleks Lanar Setempat</td> <td data-bbox="1749 1219 1921 1326">Flat (0⁰- 2⁰)</td> </tr> </tbody> </table>	Hwa Li Estate 2	Class / Terrain	Pahang Oil Palm Estate 1	Class / Terrain	Sekutuan Bungor-Melaka 2	Undulating (2 ⁰ -6 ⁰)	Awang	Flat (0 ⁰ - 2 ⁰)	Bungor	Undulating (2 ⁰ -6 ⁰)	Colluvium	Flat (0 ⁰ - 2 ⁰)	Durian	Undulating (2 ⁰ -6 ⁰)	Klawang	Undulating (2 ⁰ -6 ⁰)	Jempol	Undulating (2 ⁰ -6 ⁰)	Kompleks Lanar Setempat	Flat (0 ⁰ - 2 ⁰)	Complied
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7.5.2	No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification. - Minor compliance -	The was no replanting program planned during year of audit.		Not Applicable																															
7.5.3	There is no new planting of oil palm on steep terrain. - Minor compliance -	No new planting is evidenced.		Not Applicable																															
Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.																																			

7.6.1	<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>There is no new planting at audited estates. Hence, the indicator 7.6.1, 7.6.2 and 7.6.3 are not applicable.</p> <p>Further, based on the soil maps presented and field visit verification, there was no fragile soil or marginal soil existence at the estates assessed and confirmed by Agronomist from HQ via e-mail dtd 25.10.2019</p>	Not Applicable
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>There is no new planting at the assessed estates, hence this indicator is not applicable.</p>	Not Applicable
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>There is no new planting at the assessed estates, hence this indicator is not applicable.</p>	Not Applicable
<p>Criterion 7.7: No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.</p>			
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>- Critical (Major) compliance -</p>	<p>Not applicable as there was neither new planting nor presence of peat soil.</p>	Not Applicable
7.7.2	<p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p>PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p>	<p>Not applicable as there was neither new planting nor presence of peat soil.</p>	Not Applicable
7.7.3	<p>(C) Subsidence of peat is monitored, documented and minimised.</p>	<p>Not applicable as there was neither new planting nor presence of peat soil.</p>	Not Applicable

	- Critical (Major) compliance -		
7.7.4	<p>(C) A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p>	Not applicable as there was neither new planting nor presence of peat soil.	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.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (Major) compliance -</p>	Not applicable as there was neither new planting nor presence of peat soil.	Not Applicable
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>	Not applicable as there was neither new planting nor presence of peat soil.	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</p>	Not applicable as there was neither new planting nor presence of peat soil.	Not Applicable

	Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance. - Critical (Major) compliance -						
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 is in place and incorporated under Environmental and Social Improvement Plan – West Pahang, doc. ref. N/009-2/2019 dated 21/11/19 and "Water Management Plan for Carotino POM" dated 2/1/2021. The plan has included the availability of water sources and to avoid negative impacts on other users in the catchment. No restriction of access to clean water or contribute to pollution of water used by communities.</p> <p>Access to clean water is adequately provided to workers for household consumption. Water quality is being monitored once on yearly basis to ensure water supply is safe for consumption.</p> <p>Latest tests were carried out on 7/8/2021 (Pahang Oil Palm Estate 1), 3/12/2021 (Carotino POM) by a 3rd party accredited laboratory (SAMM No. 127). The results showed that all parameter tested were within the Maximum Permitted Proportion (Schedule 25): Standard for Packaged Drinking and Vended Water under Food Act 1983 (ACT 281) and Regulations, 2013.</p>	Complied				
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 of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>Guidelines on establishment of riparian buffer zone, doc. ref. C/001-03/2019, dated 27/4/19 in line with Department of Drainage and Irrigation's guidelines.</p> <p>Width of zones are guided by the followings:</p> <table border="1" data-bbox="1137 1273 1827 1370"> <thead> <tr> <th>River width (m)</th> <th>Buffer zone width (m)</th> </tr> </thead> <tbody> <tr> <td>> 40</td> <td>50</td> </tr> </tbody> </table>	River width (m)	Buffer zone width (m)	> 40	50	Complied
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20 to 40	40											
10 to 20	20											
5 to 10	10											
<5	5											
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>The mill applies the biological system with anaerobic lagoon in series for its treatment of effluent. The quality of discharged effluent was analysed every month and the parameters are T, pH, BOD, COD, TS, SS, O&G, AN and TN. Based on quarterly report to the</p>		Complied								

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	- Minor compliance -	DOE, the mill has complied with the regulated limit. In fact, DOE has increased the POME discharged limit for POM from 500mg/l to 5000mg/l for land application when the POM BOD analysis for the year showed the highest reading 74 mg/l during December 2021. Further, mill effluent results is monitored via (1) Quarterly Environmental Performance Management Committee Meeting, last held on 4.12.2021 and (2) external DOE Licenced Auditor, Registration No. EQA 0106, audit dated 15.12.2021 showed compliance.	
7.8.4	Mill water use per tonne of FFB is monitored and recorded. - Minor compliance -	The mill has been monitoring its consumption of water on daily basis. Based on the daily records, the consumption is as follows: FY 2020 = 5.751 m ³ /mt FY 2021 = 5.912 m ³ /mt as at Dec 2021	Complied
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 -	Plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented in "Renewable Energy Plan for Carotino Palm Oil Mill" dated 4/1/2022. Among the plans were: <ul style="list-style-type: none"> • Control running of diesel engine • Optimise biogas engine energy • Reduce the shell usage for the boiler and increase the saving and sell • Increase fibre usage as biofuel to reduce the diesel consumption • Continue using the methane gas from biogas plant in biogas engine to generate electricity 	Complied

		<p>At the estates, the plans were documented in "Energy Management Plan for FY 21/22". Among the plans established and implemented were:</p> <ul style="list-style-type: none"> • Regular maintenance of machinery and vehicles • Proper planning in allocating transportation works • Regular road maintenance 	
<p>Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</p>			
7.10.1	<p>(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</p> <p>- Critical (Major) compliance -</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. POME, diesel/fuel and fertilizer. Their usage has been recorded and documented at each of the operating unit. The plan to reduce or minimise the GHG emission has been established and incorporated with its plan to prevent pollution. Among the action plans were:</p> <ul style="list-style-type: none"> • To optimise the usage of diesel • To ensure efficiency of ETP <p>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. Monitoring of the GHG quantity was done through RSPO PalmGHG Calculator Version 4 which is submitted to the RSPO Secretariat. Based on verification of various records e.g. Lintramax System, the data in the RSPO PalmGHG Calculator was accurate.</p>	Complied
7.10.2	<p>(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).</p>	<p>Not applicable since no new development by the certification unit</p>	Not Applicable

	- Critical (Major) compliance -		
7.10.3	<p>(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>- Critical (Major) compliance -</p>	<p>Other significant pollutants such as soil erosion, wastes water from operational activities (chemical) have been identified and documented in Environmental and Social Improvement Plan – West (Pahang), doc. ref. N/009-02/2019 dated 1/05/2021. Implementation of plan is being monitored by appointed person in charge with target of time frame for completion.</p> <p>The mill has conducted its stack sampling at regulated frequency (twice a year – May and November 2021) without fail. Based on the stack sampling reports the emission from the chimney were reported to be below the regulated limit i.e. 150 mg/m³.</p>	Complied
Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area			
7.11.1	<p>(C) Land for new planting or replanting is not prepared by burning.</p> <p>- Critical (Major) compliance -</p>	Not applicable as there was neither new planting nor replanting sighted during year under review.	Not Applicable
7.11.2	<p>The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification.</p> <p>- Minor compliance -</p>	Both Hwa Li Estate 2 and Pahang Oil Palm Estate 1 have established fire prevention and control measures in areas directly managed by them. Water bowser, firewater pump and fire squad were sighted available.	Complied
7.11.3	<p>The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p> <p>- Minor compliance -</p>	Both of the above estates have engaged adjacent stakeholders on fire prevention and control measures through memo that has been sent due to pandemic COVID 19. It has been confirmed from the stakeholder interview that they received the memo and understand the content.	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.			

<p>7.12.1</p>	<p>(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Critical (Major) compliance -</p>	<p>There was no HCV area identified within property of Hwa Li Estate 2 and Pahang Oil Palm Estate 1.</p>	<p>Complied</p>
<p>7.12.2</p>	<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).</p> <p>- Critical (Major) compliance -</p>	<p>A report entitled "A Conservation Assessment of Carotino's Peninsular Malaysian Estates – Conservation values and recommendations" dated 22 January 2008 by WildAsia was made available.</p> <p>The conservation assessor has recommended some programmes which are considered not only biodiversity protection within the identified key conservation areas, but also within the plantation landscape and areas beyond plantation boundaries. In general, among the recommendations are:</p> <ul style="list-style-type: none"> • Setting objectives <ul style="list-style-type: none"> - Conservation of natural areas - Enhance the plantation landscape - Assess plantation policies - Engaging others, educating and raising awareness • Conservation of Natural Areas • Enhancing local biodiversity within plantations • Assessing plantation policies • Education and awareness 	<p>Complied</p>

		No new planting after 15 November 2018 within Carotino Production Unit and no HCV area were identified within the management unit.	
7.12.3	<i>Indicator is not applicable in Malaysia context</i>	Not applicable.	Not Applicable
7.12.4	(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified). - Critical (Major) compliance -	Not applicable since there is no land clearing after November 2005.	Not Applicable
7.12.5	Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas. - Minor compliance -	Not applicable since there is no land clearing after November 2005.	Not Applicable
7.12.6	All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and 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 -	There is no RTE present at both assessed estates. Although neighbouring to the north east of Hwa Li Estate 2 is Bukit Kerisik Forest Reserve, a buffer state land on a relatively steep slope that separate estate from it. Despite the slope of the area, this forest is classed as a "production forest" since it has been mined and no wildlife is reported sighted. Streams from this area enters the estate. Surrounding its other perimeters are oil palm holdings in anti-clockwise direction belonging to (1) Ladang Pertanian Kelapa Sawit Sdn Bhd to the north, (2) aboriginal smallholders of Kg. Pasal,	Complied

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		<p>Pahang to its west (upper half), (3) FELDA Palong Timur Lima, Negeri Sembilan (lower half west and south), (4) smallholders bordering Johor State to the south and (5) Ladang Prosper Berhad to its east.</p> <p>Likewise, surrounding the Pahang Oil Palm Estate 1 are oil palm holdings trees belonging to smallholders and plantation owners at approximately 80% of its border except at the remaining 20% by Berkelah Forest Reserve, almost in letter "n" shape at lower half of the property.</p> <p>Stated in the estate's management plan, among the protection measures established were create Biodiversity awareness, through regular training to workforce, put up warning signage at strategic boundary line "No Hunting, No Fishing, No Trapping or Collecting of Wild Species" and regular monitoring of animal sightings.</p> <p>Awareness training had been conducted on and regular reminders were normally given to all workforce during muster call. Records of training were well maintained by the operating units. Based on interview with workers, it was noted that they have a good understanding on the protection of RTE.</p> <p>Animal sightings has been recorded since May 2018 . The estate also has a log book to record any sighting of any animals regardless RTE or not. Among those sighted recorded include <i>Babi Hutan, Ular Sawa, Monyet, Ayam Hutan, Kucing Hutan, Biawak, Burung Hantu, Tupai Terbang, Lebah/Tebuan, Burung Raja Udang, Helang, Merang, Musang</i> and <i>Kura-kura</i>.</p>	
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7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>- Minor compliance -</p>	<p>No new planting after 15 November 2018 within Carotino Production Unit. Thus, this indicator is not available.</p>	Not Applicable
7.12.8	<p>(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.</p> <p>- Critical (Major) compliance -</p>	<p>No land clearing since without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018 within Carotino Production Unit. Thus, this indicator is not available.</p>	Not Applicable

Appendix B: GHG Reporting Executive Summary

The GHG emissions that were produced in **2021** for **Carotino POM** and supply base was calculated using the PalmGHG Calculator version 4. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in **[2021]** for **[Carotino POM]** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.59
PKO	0.59

Extraction	%
OER	20.18
KER	4.62

Production	t/yr
FFB Process	146,732.27
CPO Produced	29610.197
PKO Produced	6775.68

Land Use	Ha
OP Planted Area	9009.02
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	1248.51
Total	10257.53

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	62203.81	7.06	0	0	0	0	62203.81	7.06
CO ₂ Emission from fertilizer	10827.02	1.23	0	0	0	0	10827.02	1.23
NO ₂ Emission	5311.44	0.60	0	0	0	0	5311.44	0.60
Fuel Consumption	2192.83	0.25	0	0	0	0	2192.83	0.25
Peat Oxidation	0	0	0	0	0	0	0	0
Sink								
Crop Sequestration	-58960.97	-6.69	0	0	0	0	-75517.45	-8.57
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	-58960.97	-6.69	0	0	0	0	-75517.45	-8.57

**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	2619.57	0.02
Fuel Consumption	226.12	0
Grid Electricity Utilization	0	0
Credit		
Export of Grid Electricity	0	0
Sales of PKS	-2774.33	-0.02
Sales of EFB	0	0
Total	71.35	0

Summary of Kernel Crusher Emission and Credit (if applicable)

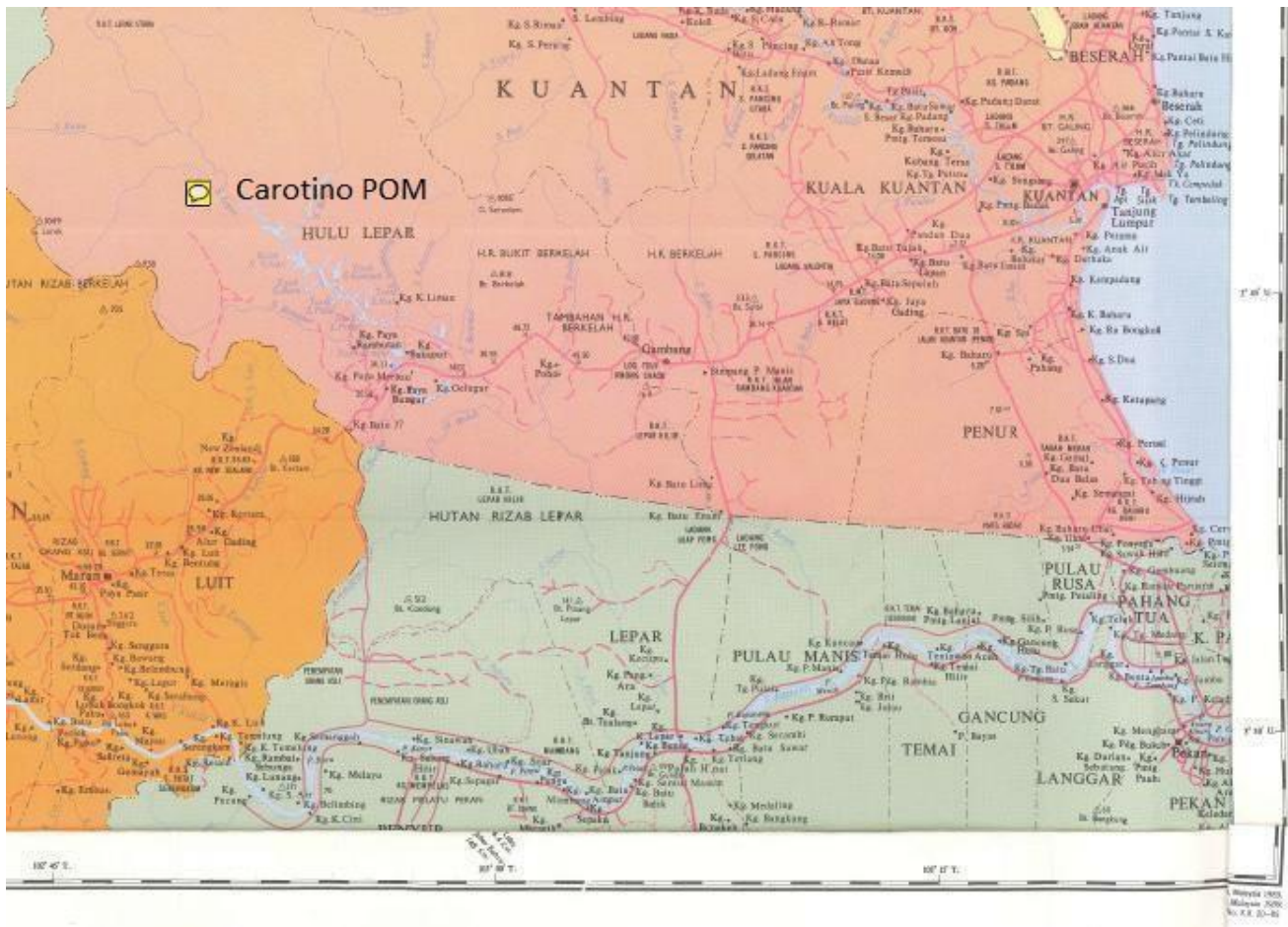
Emissions	tCO ₂ e
PK from own mill	0.59
PK from other source	0
Fuel Consumptions	0
Total Crusher emissions	0

*This mill has no kernel crusher operation.

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

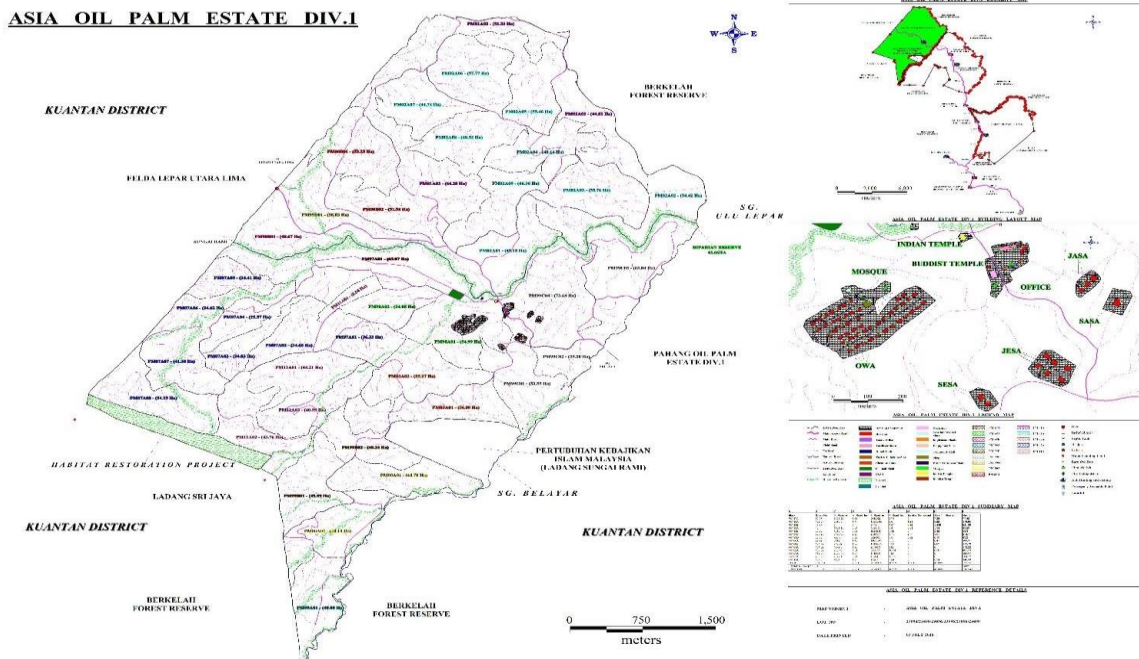
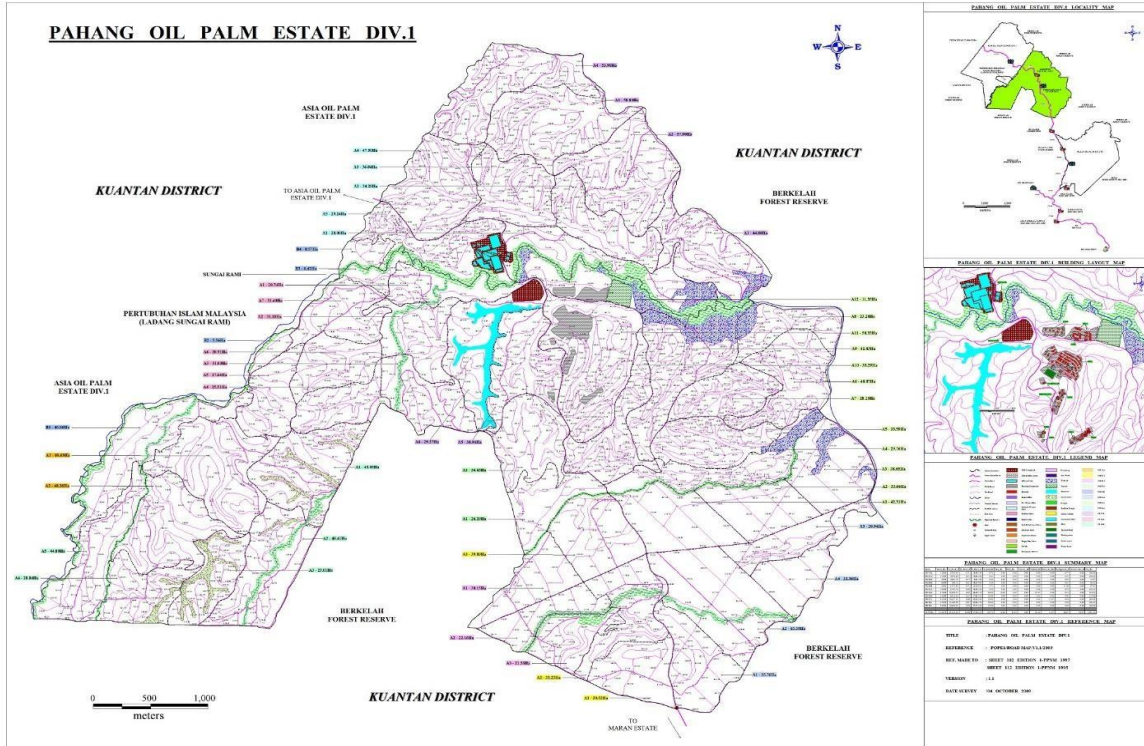
POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	2
Divert to methane captured (energy generation) (%)	98

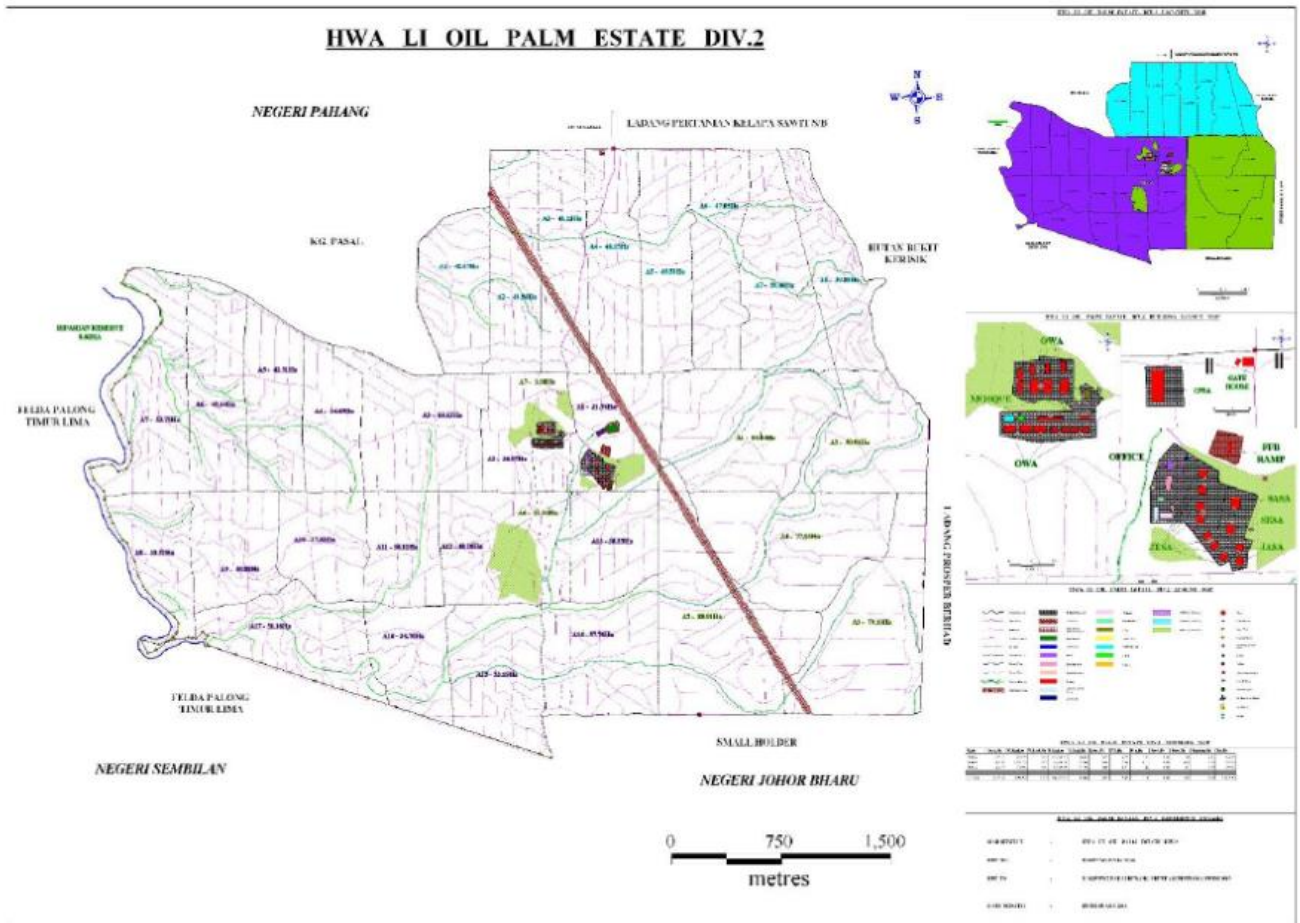
Appendix C: Location Map of Certification Unit and Supply bases



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Appendix D: Estate Field Map





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