

**MALAYSIAN SUSTAINABLE PALM OIL
3rd ANNUAL SURVEILLANCE ASSESSMENT (ASA3)
Public Summary Report**

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|---|
| Palmgroup Holdings Sdn Bhd |
| Client Company Address: 25.1-25.2, Level 25, Wisma Sanyan No. 1, Jalan Sanyan 96000 Sibu, Sarawak, Malaysia |
| Certification Unit: Jobenar Raya Sdn Bhd Jobenar Raya Tatau Estate Location of Certification Unit: Lot 1, Block 19, Buan Land District 97200 Tatau, Bintulu, Sarawak, Malaysia |

Report prepared by:
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Report Number: 3293264

Assessment Conducted by:
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Section 1: Executive Summary

| 1.1 Organizational Information and Contact Person | | | |
|--|--|-------------|--------------------------|
| Company Name | Jobenar Raya Sdn Bhd | | |
| Mill/Estate | MPOB License No. | Expiry Date | |
| | 503943902000 | 31/05/2022 | |
| Address | Lot 1, Block 19, Buan Land District, 97200 Tatau, Bintulu, Sarawak, Malaysia | | |
| Certification Unit | Jobenar Raya Tatau Estate | | |
| Contact Person Name | Mr. Raymond Nyian | | |
| Website | http://www.mafrica.com.my | E-mail | raymondny@mafrica.com.my |
| Telephone | +6084 353 155 (Office) +6012 881 0052 (HP) | Facsimile | +6084 332153 |

| 1.2 Certification Information | | | |
|---|---|-----------------------|-------------|
| Certificate Number | MSPO 681059 | | |
| Issue Date | 02/11/2018 | Expiry date | 01/11/2023 |
| Scope of Certification | Production of Sustainable Oil Palm Fruits | | |
| Standard | MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Oil Palm Plantations and Organized Smallholders | | |
| Stage 1 Date | 13/11/2017 | | |
| Stage 2 / Initial Assessment Visit Date (IAV) | 19/03/2018 | | |
| Continuous Assessment Visit Date (CAV) 1 | 29/08/2019 | | |
| Continuous Assessment Visit Date (CAV) 2 | 19/08/2020 (remote) & 28 - 29/09/2020 (on-site) | | |
| Continuous Assessment Visit Date (CAV) 3 | 12/8/2021 (Fully Remote) | | |
| Continuous Assessment Visit Date (CAV) 4 | - | | |
| Other Certifications | | | |
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| N/A | N/A | N/A | N/A |

| 1.3 Location of Certification Unit | | | |
|--|--------------|----------------------------------|----------|
| Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder) | Site Address | GPS Reference of the site office | |
| | | Longitude | Latitude |

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|---------------------------|--|-----------|---------|
| Jobenar Raya Tatau Estate | Lot 1, Block 19, Buan Land District, 97200 Tatau, Bintulu, Sarawak, Malaysia | 112.74597 | 2.86806 |
|---------------------------|--|-----------|---------|

1.4 Certified Area

| Estate | Total Planted (Mature + Immature) (ha) | HCV (ha) | Infrastructure & Other (ha) | Total Area (ha) | % of Planted |
|---------------------------|--|----------|-----------------------------|-----------------|--------------|
| Jobenar Raya Tatau Estate | 2,724.92 | 174.08 | 10.00 | 2,909.00 | 93.67 |
| Total | 2,724.92 | 174.08 | 10.00 | 2,909.00 | |

1.5 Plantings & Cycle

| Estate | Age (Years) | | | | | Mature | Immature |
|---------------------------|-------------|----------|----------|---------|---------|----------|----------|
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | 26 - 30 | | |
| Jobenar Raya Tatau Estate | 0.00 | 1,625.52 | 1,099.40 | 0.00 | 0.00 | 2,724.92 | 0.00 |
| Total (ha) | 0.00 | 1,625.52 | 1,099.40 | 0.00 | 0.00 | 2,724.92 | 0.00 |

1.6 Certified Tonnage of FFB

| Estate | Tonnage / year | | |
|---------------------------|----------------------------------|------------------------------|---------------------------------|
| | Estimated (Oct 2020 - Sept 2021) | Actual (Aug 2020 - Jul 2021) | Forecast (Oct 2021 - Sept 2022) |
| Jobenar Raya Tatau Estate | 53,204.04 | 39,734.65 | 46,000.00 |
| Total | 53,204.04 | 39,734.65 | 46,000.00 |

1.7 Uncertified Tonnage of FFB

| Estate | Tonnage / year | | |
|--------------|----------------------------------|------------------------------|---------------------------------|
| | Estimated (Oct 2020 - Sept 2021) | Actual (Aug 2020 - Jul 2021) | Forecast (Oct 2021 - Sept 2022) |
| N/A | N/A | N/A | N/A |
| Total | N/A | N/A | N/A |

1.8 Certified Tonnage

| Mill Capacity: N/A | Estimated (Oct 2020 - Sept 2021) | Actual (Aug 2020 - Jul 2021) | Forecast (Oct 2021 - Sept 2022) |
|-----------------------|----------------------------------|------------------------------|---------------------------------|
| | FFB | FFB | FFB |
| | 53,204.04 | 39,734.65 | 46,000.00 |

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| | | | |
|--------------------------|---------------------|---------------------|---------------------|
| SCC Model: N/A | CPO (OER: %) | CPO (OER: %) | CPO (OER: %) |
| | N/A | N/A | N/A |
| | PK (KER: %) | PK (KER: %) | PK (KER: %) |
| | N/A | N/A | N/A |

| 1.9 Actual Sold Volume (CPO) | | | | | |
|-------------------------------------|-----------------------|--------------------------------|-------------|---------------------|--------------|
| CPO (MT) | MSP0 Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSPO | | |
| N/A | N/A | N/A | N/A | N/A | N/A |

| 1.10 Actual Sold Volume (PK) | | | | | |
|-------------------------------------|-----------------------|--------------------------------|-------------|---------------------|--------------|
| PK (MT) | MSP0 Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSPO | | |
| N/A | N/A | N/A | N/A | N/A | N/A |

Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This remote assessment was conducted on 12/08/2021. The audit programme is included as Section 2.3 Assessment plan. The approach to the audit was to treat the Jobenar Raya Tatau Estate as a MSPO Certification Unit. This remote audit been conducted due to COVID-19 issue and to comply with Movement Control Order. This remote audit has been conducted using Information and Communication Technologies including (Microsoft Teams, WhatsApp and phone call). The planned audit objectives have been achieved, there were no connectivity issues which adversely affected the audit.

The methodology for collection of objective evidence included observation of tasks and processes record, interviews of staff, workers and their families and external stakeholders using ICT, review of documentation and monitoring data. MS 2530-3:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Meetings by phone call were held with stakeholders to seek their views on the performance of the company with respect to the MSPO 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. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings for the ASA 3 are detailed in Section 4.2.

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

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

| Assessment Program | | | | | |
|---|---------------------------|-------------------|-------------------|-------------------|-------------------|
| Name (Mill / Plantation / Group smallholders) | Year 1 (Certification) | Year 2 (ASA 1) | Year 3 (ASA 2) | Year 4 (ASA 3) | Year 5 (ASA 4) |
| Jobenar Raya Tatau Estate | √ | √ | √ | √ | √ |

Tentative Date of Next Visit: August 11, 2022 - August 12, 2022

Total No. of Mandays: 3

2.1 BSI Assessment Team

| Team Member Name | Role <i>(Team Leader or Team member)</i> | Qualifications <i>(Short description of the team members)</i> |
|--------------------------|---|--|
| Muhamad Naquiddin Mazeli | Team Leader | He holds Bachelor of Science Horticulture, graduated from University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement, and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries, and Smallholder scheme. He also supports in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and 45001 Lead Auditor Course in 2019, Endorsed RSPO P&C Lead Auditor Course in 2019, MSPO Awareness Training in 2018, Endorsed RSPO SCCS Lead Auditor Course in 2019 and trained in SMETA on 2021. He had been involved in RSPO auditing since August 2018 in more than various companies in Malaysia. During this audit, he covers Social aspect and stakeholder consultation. Able to speak and understand Bahasa Malaysia and English. |
| Mohamad Fitri Mustafa | Team Member | Graduate in degree of agribusiness with more than 8 years working experience in various plantation companies and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in ISCC and MSPO auditing since September 2017. Qualified as Lead Auditor/Auditor for MSPO, RSPO and ISO 9001. Completed and certified MSPO Auditor course in 2018 held by SGS (M) Sdn Bhd. Member of BSI MSPO audit team. During this audit, he cover safety and health also environment aspect. Able to speak and understand Bahasa Malaysia and English. |

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2.2 Accompanying Persons

| No. | Name | Role |
|-----|---------------|---------------------|
| 1. | Hu Ning Shing | Qualifying reviewer |

2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

| Date | Time | Subjects | MNM | MFM |
|--|------------------|--|---|-----|
| Wednesday, 28/07/2021 | 10.00 - 10.30 | Trial Meeting for Communication test. - Communication on document preparation - Audit plan - Any additional Information | Teleconference, Microsoft Team Meeting, Email | |
| Monday, 9/08/2021 | 09.00 - 09.30 | Opening Meeting: - Opening Presentation by Audit team leader. - Confirmation of assessment scope and finalize Audit plan | Teleconference, Microsoft Team Meeting, Email | |
| Thursday, 12/08/2021 Jobenar Raya Sdn Bhd | 09.00 - 12.30 | Document audit: P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P6: Best practices P7: Development of New Planting (if any) | Teleconference, Microsoft Team Meeting, Email | |
| | 12.30 - 13.30 | Lunch | √ | |
| | 13.30 - 16.30 | Continue with document review (MSP0 part 3) P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P6: Best practices P7: Development of New Planting (if any) | Teleconference, Microsoft Team Meeting, Email | |
| | 16.30 - 17.00 | Preparation of audit report | Teleconference, Microsoft Team Meeting, Email | |
| | 17.00 - 17.30 | Closing Meeting | Teleconference, Microsoft Team Meeting, Email | |

Section 3: Assessment Findings

3.1 Details of audit results

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

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

During the ASA3 there were 0 Major & 0 Minor nonconformities raised.

| Noteworthy Positive Comments | |
|------------------------------|---|
| 1 | Good cooperation given by the HQ and site team. |
| 2 | Good management system and document retrieval. |

3.3 Status of Nonconformities Previously Identified and OFI

| Major Nonconformities: | | |
|-----------------------------|---|----------------------|
| Ref: 1963451-202010-M1 | Area/Process: Jobenar Raya Tatau Estate | Clause: 4.4.5.3 |
| | Issue Date: 29/09/2020 | Due Date: 29/12/2020 |
| Requirements: | Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. | |
| Statement of Nonconformity: | Pay and conditions for harvester working on rest day does not meet Sarawak Labour Ordinance under section 105 (5). | |
| Objective Evidence: | Noted that harvesters as follows has been working on their rest day in the month of March, April and May 2020. However, they are not paid double rate as per Sarawak Labor Ordinance under section 105 (5) that stated: "An employee employed on piece rates who works on a rest day shall be paid twice his ordinary rate per piece". The sampled harvester as follows: | |
| | Employee No. | Rest day |
| | Paid Rate (Normal Rate/ton) | |
| RAN01-01 | 1/3/2020 15/3/2020 5/4/2020 19/4/2020 10/5/2020 | 40.00 |
| JAM01-01 | 8/3/0303 15/3/3030 29/3/2020 | 40.00 |

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| | | | |
|------------------------|---|-----------|-------|
| | USM01-01 | 19/4/2020 | 40.00 |
| Corrections: | To pay double rate for rest day work on harvesting and other piece rated activities. | | |
| Root cause analysis: | Site operation yet fully enforce the requirement because there is no person in charge to do the monitoring activity. | | |
| Corrective Actions: | Admin Officer will assist Estate Manager to do the monitoring activity to ensure the requirements is fully enforced. | | |
| Assessment Conclusion: | <p>Major NC Close out: Evidence sighted as follows: The estate has conducted briefing to the workers and staff on the Sarawak Labour Ordinance under section 105 (5) on 10/11/2020. The estate has made payment for the underpaid salary for the sampled workers as payment advice dated 03/11/2011. Reviewed the payment advice as follows: 1. JRSB/PE20100028 2. JRSB/PE20100159 The estate has conducted the staffs meeting on 10/11/2020. In the meeting, the Operation General Manager has reminded the staff regarding the Sarawak Labour Ordinance under section 105 (5) and to not offer workers to work on Rest day and Public holidays. The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 7/12/2020.</p> | | |
| Verification Statement | <p><u>ASA3</u> Pay and conditions for daily rated and piece rated workers was meet Sarawak Labour Ordinance. Sample of payslips (March 2020, July 2020 and Oct 2020)/check roll/attendance @ thumb print checked as per below. The thumb print was not use start March previous year due to COVID-19 issue, it replaces with normal attendance.</p> <ul style="list-style-type: none"> • MY00004670 • MY00000846 • MY00002446 • MY00000774 • MY00007080 • FW000873 • FW001666 • FW002803 • FW000811 • FW005195 <p>The evidence showed the CAP was effectively implemented and thus, Major NC remained closed.</p> | | |

| Minor Nonconformities: | | |
|-------------------------------|---|-----------------------------|
| Ref: 1963451-202010-N1 | Area/Process: Jobenar Raya Tatau Estate | Clause: 4.5.3.4 |
| | Issue Date: 29/09/2020 | Due Date: 29/12/2020 |
| Requirements: | Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources | |

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| | |
|-----------------------------|---|
| | or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. |
| Statement of Nonconformity: | Empty pesticide containers not disposed in an environmentally and socially responsible way. |
| Objective Evidence: | During site visit at the line site, it was noted that empty pesticides container was stored under the contractor house, house no. 1, Block D. |
| Corrections: | <ol style="list-style-type: none"> To collect and sent all empty pesticide containers to the designated Chemical Premix Store to be manage under Company Scheduled Waste Handling programme for proper treatment and disposal. Conduct awareness briefing to the contractor regarding handling of empty pesticide container under Schedule Waste Regulation requirements and to brief memo on ‘Chemical Container Collection’ to remind that no empty chemical container kept at home but must return all to the Chemical Premix Store. |
| Root cause analysis: | The monitoring activity was not in regular schedule for site inspection, briefing awareness and implementation according to SOP and reminder Notice. |
| Corrective Actions: | <ol style="list-style-type: none"> To collect and sent all empty pesticide containers to the designated Chemical Premix Store to be manage under Company Scheduled Waste Handling programme for proper treatment and disposal. Conduct awareness briefing to the contractor regarding handling of empty pesticide container under Schedule Waste Regulation requirements and to brief memo on ‘Chemical Container Collection’ to remind that no empty chemical container kept at home but must return all to the Chemical Premix Store. |
| Assessment Conclusion: | The corrective action plan submitted was adequate. This is minor non-conformity. The effectiveness implementation of the CAP will be assessed during next assessment. |
| Verification Statement | <p><u>ASA3</u></p> <p>Inventory records for empty chemical containers were made available to the audit team. The estate management has recorded the units into the Containers Logbook. Chemical handling training (PPE/Empty Chemical Containers), was conducted on 27/5/2021 and as per interview with storekeeper they understand and aware regarding this issue thus Minor NC was closed on 12/8/2021.</p> |


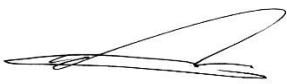
3.4 Summary of the Nonconformities and Status

| CAR Ref. | CLASS | ISSUED | STATUS |
|-------------------|-------|------------|----------------------|
| 1608454-201802-M1 | Major | 19/03/2018 | Closed on 21/05/2018 |
| 1608454-201802-M2 | Major | 19/03/2018 | Closed on 21/05/2018 |
| 1608454-201802-M3 | Major | 19/03/2018 | Closed on 21/05/2018 |
| 1817556-201903-M1 | Major | 29/08/2019 | Closed on 04/11/2019 |
| 1817556-201903-N1 | Minor | 29/08/2019 | Closed on 29/09/2020 |
| 1963451-202010-M1 | Major | 29/09/2020 | Closed on 07/12/2020 |
| 1963451-202010-N1 | Minor | 29/09/2020 | Closed on 12/8/2021 |

3.5 Issues Raised by Stakeholders

| IS # | Description |
|------|--|
| 1 | <p>Issues: JCC representative and Gender representative The management was very active in taking action for any complaint and issue been highlight in meeting. No other comment.</p> <p>Management Responses: The management taken positive comment and continue this best practice.</p> <p>Audit Team Findings: No further issue.</p> |

Section 4: Assessment Conclusion and Recommendation

| Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings | |
|---|---|
| Based on the findings during the assessment Jobenar Raya Sdn. Bhd Certification Unit complies with the MS 2530-3:2013 . It is recommended that the certification of Jobenar Raya Sdn. Bhd Certification Unit is approved and/or continued. | |
| Acknowledgement of Assessment Findings | Report Prepared by |
| Name: Raymond Nyian | Name: Muhamad Naquiuddin Mazeli |
| Company name: Palmgroup Holdings Sdn Bhd | Company name: BSI Services (M) Sdn Bhd |
| Title: Manager, Sustainability | Title: Lead Auditor |
| Signature:  | Signature:  |
| Date: 3/09/2021 | Date: 2/9/2021 |

Appendix A: Summary of the findings by Principles and Criteria

MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO): General Principles for Oil Palm Plantations and Organized Smallholders

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 4.1 Principle 1: Management commitment & responsibility | | | |
| Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy | | | |
| 4.1.1.1 | A policy for the implementation of MSPO shall be established. - Major compliance - | Palmgroup Holdings Sdn Bhd has established a policy on sustainable palm oil production. Signed by MD, Mr Tiong Chiong Hee dated 25/3/2019. Refer to MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016(2019-05). The latest briefing to workers was carried out on 4/5/2021. | Complied |
| 4.1.1.2 | The policy shall also emphasize commitment to continual improvement. - Major compliance - | The established policy has emphasized on the commitment for key legal, social, and environmental consideration with the objective of improving the milling and estate operation. Sampling on Continual improvement for social dated 10/3/2021 approved by Mathew Muttu (Estate Manager). | Complied |
| Criterion 4.1.2 – Internal Audit | | | |
| 4.1.2.1 | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance - | According to the MSPO Management Policy & Procedure, reference no PGHSB/SOPP/014/2016(2019-05), endorsed by the Managing Director, Mr. Tiong Chiong Hee on 25/09/2019. Stated in the policy that the internal audit shall be conducted minimum once a year or as need arises. | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| | | At first the internal audit was schedule to be conducted on 26-28/05/2021. The internal audit was conducted by Mr. Raymond Nyian (Sustainability Manager), no non-conformities were raised during the audit process. | |
| 4.1.2.2 | The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance - | The internal audit procedures and audit results were properly kept and maintained. Finding from the internal audit were discussed in the management review meeting conducted on 30/07/2021 and in regular monthly TQM meeting. The minutes were made available to the audit team and verified. | Complied |
| 4.1.2.3 | Report shall be made available to the management for their review. - Major compliance - | The internal audit report was made available and discussed during the management review meeting on 30/07/2021. The meeting minutes was made available to the audit team. Among the agenda discussed during the meeting were review on the MSPO internal audit result, ISCC internal audit and review on audit report from certification bodies. | Complied |
| Criterion 4.1.3 – Management Review | | | |
| 4.1.3.1 | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance - | The internal audit report was made available and discussed during the management review meeting on 30/07/2021. The meeting minutes was made available to the audit team. Among the agenda discussed during the meeting were review on the MSPO internal audit result, ISCC internal audit and review on audit report from certification bodies. | Complied |
| Criterion 4.1.4 – Continual Improvement | | | |
| 4.1.4.1 | The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. | The estate management has developed the continual improvement plan based on the environment, social and opportunity of the company. Sighted the plan are as follow: | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| | - Major compliance - | <ul style="list-style-type: none"> No spray alongside the drain or riverside. No rubbish dumping into the drain and waterways. Quarterly inspection for buffer zone area. Discourage illegal hunting. To educate and brief the workforce on the important of sustainability. | |
| 4.1.4.2 | The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance - | The estate management has developed annual training program to improve practices in line with current and new technology or standards. Sighted the annual training program for year 2021. | Complied |
| 4.1.4.3 | An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance - | By developing the annual training program, the estate management able to amend and suit any new information or technology training whenever necessary. Sighted the annual training program for year 2021. | Complied |
| 4.2 Principle 2: Transparency | | | |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements | | | |
| 4.2.1.1 | The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance - | Jobenar Raya Sdn Bhd had continued to implement the Communication and Consultation Procedure (version 2) PGHSB/SOPP/001/2015(2019-2) dated 15/4/2019. The procedure describes on the communication with the internal and external stakeholders. Mr Robert Ak Nyayang has been appointed as Estate Social Officer (Ref: JBRT/MSPO/AL /SO-001) which will be responsible in implementation and maintain of Company's Social issues. The | Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| | | <p>appointment letter dated 1/1/2021 which issued by Estate Manager was sighted. Records of consultation and communication is available in following documents:</p> <ul style="list-style-type: none"> a. ST 18- Register of Dispute b. ST 19- Monitoring of request c. Complaint/ suggestion record d. Consultation records with community logbook | |
| 4.2.1.2 | <p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p> | <p>Jobenar Raya Sdn Bhd holds copies of each of the management documents that were required to be publicly available. Copies of the document such as documents related to environmental and social issues, plans for pollution prevention, records of complaints and grievances were available upon request. The memo regarding to management document be publicly available dated 2/1/2021 was displayed on the information notice board. For external stakeholder, communication will be done by during stakeholder meeting. To internal stakeholder management already conduct the briefing on 19/6/2021 regarding to this memo.</p> | Complied |
| Criterion 4.2.2 – Transparent method of communication and consultation | | | |
| 4.2.2.1 | <p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p> | <p>Jobenar Raya Sdn Bhd had continued to implement the Communication and Consultation Procedure (version 2) dated 15/4/2019. The procedure describes on the communication with the internal and external stakeholders. Complaint and Grievance Procedures. Refer document no. PGHSB/SOPP/002/2015, ver. 1, date issued: 21/12/2015. No changes from previous audit.</p> | Complied |
| 4.2.2.2 | <p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> | <p>Mr Robert Ak Nyayang has been appointed as Estate Social Officer which will be responsible in implementation and maintain of Company's</p> | Complied |

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| | - Minor compliance - | Social issues. The appointment letter (Ref: Ref: JBRT/MSPO/AL /SO-001) dated 1/1/2021 which issued by Estate Manager was sighted. | |
| 4.2.2.3 | List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance - | List of external stakeholders was available which included stakeholder from nearby village, contractors, FFB suppliers, government bodies, internal stakeholders. The list was last update on 16/1/2021. | Complied |
| Criterion 4.2.3 – Traceability | | | |
| 4.2.3.1 | The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance - | <p>The group has established a Guidelines on Traceability Procedures of International Sustainability & Carbon Certification (ISCC) to keep track on the traceability aspect. Doc no: PGHSB/SOPP/001.2019 (2020-02), version 02, issued on 02/01/2020, prepared by Mr Raymond Nyian (Sustainability Manager). The guidelines were approved by Mr. Tiong Chiong Hee (Managing Director).</p> <p>A training regarding on the traceability procedures has been conducted on 30/03/2021, delivered by Mr. Robson Imang Alendosen to the plantation clerk, assistant manager, field conducted, bunch checker and mandora.</p> <p>Estate assistant manager will conduct a daily inspection and spot check to ensure harvesters and mandores entered correct amount of the bunches into the FFB. After delivered the FFB to the mill, the estate will receive a weighbridge ticket which contain the following information.</p> | Complied |

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| | | FFB Chit | Vehicle no Driver's name & IC no Date, time in & out Harvester's name, block and no of bunches Lorry drivers and assistant manager's signature | |
| | | Weighbridge Ticket | Ticket no, date, time in & out Vehicle's no, driver's name and IC no Location: to and from FFB weight: before and after Authorized by | |
| 4.2.3.2 | The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance - | FFB evacuation and transportation to the mill was conducted on daily and weekly basis. The audit team has reviewed the following documents for verification: a. Management BMP field inspection checklist. b. Weekly traceability inspection and checklist schedule Besides the daily inspection records, the estate management also conducted monthly TQM meeting to ensure the SOP are implemented at the best condition. | | Complied |
| 4.2.3.3 | The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance - | The estate management has appointed Mr Saba Mujah on 01.01.2021 and Mr. Sayed Malek Wan Sulaiman on 01/01/2021 as the traceability coordinator. | | Complied |
| 4.2.3.4 | Records of sales, delivery or transportation of FFB shall be maintained. | Records of sales or FFB transportation from the estate to the mill were made available to the audit team. The estate management has taken a good action to keep and maintained the records. | | Complied |

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|--|---|--|------------|
| - Major compliance - | | | |
| 4.3 Principle 3: Compliance to legal requirements | | | |
| Criterion 4.3.1 – Regulatory requirements | | | |
| 4.3.1.1 | <p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p> | <p>The estate continues to comply with the legal requirements compliance of the legal requirement were monitored by the estate management. List of licenses and permits are as follow:</p> <ul style="list-style-type: none"> a. MPOB licenses no 50394390200 valid until 31/05/2022. b. Permit for salary deduction, JTK serial no JTKSWK/PG/023/1(BTU) valid from 22/03/2018. c. Permit for salary deduction (Levi), serial no JTKSWK/PL/038/17/ (SBU) valid from 11/08/2017. d. "Peraturan-peraturan kawalan bekalan 197, (Peraturan 4.1), license no GR130000564, enforced on 16/12/2020. e. CF air compressor. SW/PMT/8752, expired on 07/01/2021. The estate management has already applied for renewal, however, due to the Movement Control Order restriction, it was pending for approval. | Complied |
| 4.3.1.2 | <p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p> | <p>The legal register reference was made available to the audit team. Sighted the management has updated the legal register by adding new regulations which coming into force. Some of the list as below:</p> <ul style="list-style-type: none"> a. Veterinary public health ordinance 1999, (Chapter 32 – Laws of Sarawak). b. Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988 (Akta 342). | Complied |

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| | | c. Protection of Public Health Ordinance 1999 (Chapter 30 – Laws of Sarawak). d. Emergency (Essential Powers) Ordinance 2021. | | | | | | | | | |
| 4.3.1.3 | The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance - | The estate legal coordinator will monitor the implementation of the legal and update the legal register template, should there be any amendment or new regulations coming into force. | Complied | | | | | | | | |
| 4.3.1.4 | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance - | The estate management has appointed Mr Amir Hamzah Noh as the Estate Legal Coordinator. The appointment was made on 01/01/2021 and the audit team has verified the appointment letter. | Complied | | | | | | | | |
| Criterion 4.3.2 – Lands use rights | | | | | | | | | | | |
| 4.3.2.1 | The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance - | The usage of all land titles area for agriculture purposes and no land encroachment occurs. | Complied | | | | | | | | |
| 4.3.2.2 | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance - | The management Jobenar Raya Sdn Bhd have provided documents to show legal ownership. Sighted during the audit were the title documents issued as summarized below: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Grant details</th> <th>Land size (Ha)</th> <th>Legal ownership/ Tenure</th> <th>Land use type</th> </tr> </thead> <tbody> <tr> <td>TRN: 09-LCLS-045-019-00002</td> <td>1950</td> <td>Lease period for 60 years until 23rd March 2059</td> <td>Agriculture</td> </tr> </tbody> </table> | Grant details | Land size (Ha) | Legal ownership/ Tenure | Land use type | TRN: 09-LCLS-045-019-00002 | 1950 | Lease period for 60 years until 23 rd March 2059 | Agriculture | Complied |
| Grant details | Land size (Ha) | Legal ownership/ Tenure | Land use type | | | | | | | | |
| TRN: 09-LCLS-045-019-00002 | 1950 | Lease period for 60 years until 23 rd March 2059 | Agriculture | | | | | | | | |

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| | | TRN: 09-LCLS-045-012-00002 | 959 | Lease period for 60 years until 23 rd March 2059 | Agriculture | |
| 4.3.2.3 | Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance - | The legal perimeter boundary markers were clearly demarcated and visibly maintained on the ground as per sample sighted in the field block boundary to stakeholder area as per previous year visit. This year no site visit conducted due to COVID-19 issue. Management also establish the procedure to maintain the peg under Guidelines on Boundary Pegs Establishment and Maintenance Procedures (PGHSB/SOPP/002/2018) ver. 2 dated Jan 2018. | | | | Complied |
| 4.3.2.4 | Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance - | No any disputes on land ownership as per record dated March 2021 (Ref no: ST18), where in case of any as per record the process will be conducted based on Flow Chart 1: FPIC Process Guide – Title: Identification of Customary Land Rights and Compensation Procedure; Ver. # 1; Ref. # PGHSB/SOPP/005/20151 dated 21/12/2015. | | | | Complied |
| Criterion 4.3.3 – Customary rights | | | | | | |
| 4.3.3.1 | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance - | There’s no land encumbered by customary rights in Jobenar Raya Sdn Bhd, hence this indicator is not applicable. | | | | Complied |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance - | There’s no land encumbered by customary rights in Jobenar Raya Sdn Bhd, hence this indicator is not applicable. | | | | Complied |

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| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance - | There's no land encumbered by customary rights in Jobenar Raya Sdn Bhd, hence this indicator is not applicable. | Complied |
| 4.4 Principle 4: Social responsibility, health, safety and employment condition | | | |
| Criterion 4.4.1: Social Impact Assessment (SIA) | | | |
| 4.4.1.1 | Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance - | The SIA have been done by Wild Asia dated 21/6/2019 (Project Ref: P438 Palmgroup). Plans and impact assessments relating to environmental and social impacts based on records of following: Internal: Social Impact Assessment (SIA) Mitigation Plan; Version: 1 Raymond/SU; Dated: 31/7/2021; By: Raymond Nyian; updated by; Semeon Mujah. The management establish the guidelines on Social plan dated 14/12/2017. The issue that been highlight in continuous improvement for Social was Social Management System (policies, communication and others), Local community aspect, Traceability & Fair Trade, work condition, living condition and others. | Complied |
| Criterion 4.4.2: Complaints and grievances | | | |
| 4.4.2.1 | A system for dealing with complaints and grievances shall be established and documented. - Major compliance - | A system for dealing with complaints and grievances established as Complaint and Grievance Procedures; Ref. # PGHSB/SOPP/002/2015; Ver. 1; Date issued: 21/12/2015. | Complied |
| 4.4.2.2 | The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance - | Based on sampled "Borang Aduan" and above procedure, the system able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. Sampling as per record dated 16/6/2020 and issue resolved on 23/6/2020. The management also conduct the meeting for tracking the complaint and grievance record that been | Complied |

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| | | received by estate by quarterly (3month once) based. The latest meeting was on 19/2/2021. | |
| 4.4.2.3 | A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance - | Any complaints will be reported through official complaint form (formal/informal/sensitive) and will be discussed during meeting. Status of complaints are closed, and resolution of the issues will be informed officially through letter to the said complainants. Latest the estate management using memo media to communicate regarding this procedure dated 31/7/2021. | Complied |
| 4.4.2.4 | Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance - | It was confirmed that employees and surrounding communities are aware on the complaints and suggestion can be made anytime to the management. The management already conducted the training regarding to complaint and grievances on 4/6/2021 at workers housing area attended by all workers. Verified as per training record. | Complied |
| 4.4.2.5 | Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance - | The complaint records are available and recorded since 2016. | Complied |
| Criterion 4.4.3: Commitment to contribute to local sustainable development | | | |
| 4.4.3.1 | Growers should contribute to local development in consultation with the local communities. - Minor compliance - | The management has allocated some fund for local contribution and donation. Besides, the estate also made contribution to Bomba (JBPM/SK/OPS: 500-9/6) on 12/2/2021. Another sample was contribution to Long House (Rumah Bedari Ak Gasah) on 4/3/2021. The record was available in estate for review. | Complied |
| Criterion 4.4.4: Employees safety and health | | | |

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| 4.4.4.1 | An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance - | Safety & Health Policy was made available to the audit team. The policy was endorsed by Mr. Tiong Chiong Hee (Managing Director) on 01/01/2021. The objective of this policy is to provide a safe and healthy work place according to the requirements in OSH Act 1994 and to ensure all workers are given relevant information, instructions, training and supervision on safety work practices which include avoidance of accidents while discharging their duties. a. Sustainability orientation training for new employees was conducted on 25/05/2021. b. Chemical handling training (PPE/Empty Chemical Containers), was conducted on 27/05/2021. | Complied |
| 4.4.4.2 | The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and | a. The estate management has established an annual training program for year 2021 which included the safety & health aspect. The management also has communicated the plan and policy to the workforce thru training and morning briefing. Details on training as explain in the indicator 4.4.4.1. b. Risk of all operation was assessed and documented, prepared by Mr. Robson Imang Alendosen, Safety & Health Coordinator, on 03/05/2021 c. Appropriate training related to the exposure of chemical were conducted as per schedule in their annual training program. The training records are explained under the indicator 4.4.4.1. d. The management has provided PPE for free to the workforce. The workers can change their PPE for free when the existing PPE used were damaged or broken. The PPE issuance record was made available to the audit team and verified. | Complied |

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| <p>storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p> | <p>e. The group has established a few procedures to ensure the safe handling of chemicals including the storage and disposal of used chemicals. The procedures are as follow:</p> <ul style="list-style-type: none"> • SSOP: Chemical and Fertilizer Store • SSOP: Chemical Mixing Procedure • Handling Spills of Hazardous Chemicals • Chemicals Spraying <p>f. The estate management has appointed Mr Robson Imang Alendosen as the Safety & Health Coordinator, dated on 04/01/2021.</p> <p>g. OSH committee has conducted meeting 25/03/2021 to discuss pertaining issues related to the safety & health. Among the agendas discussed during the meeting were as follow:</p> <ul style="list-style-type: none"> • COVID-19 SOP implementation at all workstation. • Warning letters for those who failed to comply with the rules outlined by the management. • Accident reports. • Work station inspection status • Vaccination process and SOP in the estate • Worker's PPE inspection. <p>h. Training related to the emergency response were conducted by the estate management to the employees besides regular briefing on ERP during the morning muster.</p> <p>i. Mr. Amir Hamzah Noh (safety & health coordinator) has undergo for first aid training on 11/11/2018 and responsible to train</p> | |

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| | | <p>mandores and estate staffs regarding on first aid. First aid box checklists were made available to the audit team and verified.</p> <p>j. Accident records were well maintained and kept. The management review the records during the OSH committee meeting. Sighted the accident records and OHS committee meeting minutes for verification. The estate management submitted JKKP 8 form to DOSH on 24/01/2021, reference no JKKP8/79321/2020.</p> | |
| Criterion 4.4.5: Employment conditions | | | |
| 4.4.5.1 | <p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p> | <p>The policies on good social practices regarding human rights in respect of industrial harmony for Palmgroup Holdings Sdn Bhd were established as following:</p> <ul style="list-style-type: none"> - Employment Policy; Ref. # PGHSB/SOPP/011/2016; Ver. 01; Date issued: 22/2/2016 - Child Labour Policy; Ref. # PGHSB/SOPP/005/2016; Ver. 02; Date issued: 5/5/2017 - Equal Opportunity Policy; Ref. # PGHSB/SOPP/007/2016; Ver.02; Date issued: 5/5/2017 - Special Labour and Forced Labour Policy; Ref. # PGHSB/SOPP/008/2017; Ver. 02; Date issued: 5/5/2017 - Freedom of Association & Collective Bargaining Policy; Ref. # PGHSB/SOPP/009/2017; Ver. 02; Date issued: 5/5/2017 - Human Rights Policy; Ref. # PGHSB/SOPP/010/2017; Rev. 02 Date issued: 5/5/2017 - Sexual Harassment Policy; Ref. # PGHSB/SOPP/012/2017; Rev. 02; Date issued: 5/5/2017 - Women Rights Policy; Ref. # PGHSB/SOPP/013/2017; Rev. 02; Date issued: 5/5/2017 | Complied |

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| 4.4.5.2 | The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance - | There are no discriminatory practices in Jobenar Raya Sdn Bhd. The workers were equally treated for male and female and locals and foreign workers. All workers receive free accommodation, electricity, medical and insurance. The management also establish the equality policy dated 22/2/2016 (PGHSB/SOPP/007/2016). | Complied |
| 4.4.5.3 | Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance - | Pay and conditions for daily rated and piece rated workers was meet Sarawak Labour Ordinance. Sample of payslips (March 2020, July 2020 and Oct 2020)/check roll/attendance @ thumb print checked as per below. The thumb print was not use start march previous year due to COVID-19 issue, it replace with normal attendance. <ul style="list-style-type: none"> • MY00004670 • MY00000846 • MY00002446 • MY00000774 • MY00007080 • FW000873 • FW001666 • FW002803 • FW000811 • FW005195 | Complied |
| 4.4.5.4 | Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance - | There are several external contractors' employees involved in direct estate operations i.e. production (harvesting) and maintenance (upkeep, spraying, manuring, etc.). Sampling on Takashima enterprise (Contractor for FFB transportation). No employee for this company. | Complied |

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| 4.4.5.5 | <p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p> | <p>The master list of workers are available containing the worker's name, D.O.B, age, gender, job description, etc. sample as per below showed that all document was available at site:-</p> <ul style="list-style-type: none"> • MY00004670 • MY00000846 • MY00002446 • MY00000774 • MY00007080 • FW000873 • FW001666 • FW002803 • FW000811 • FW005195 | Complied |
| 4.4.5.6 | <p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p> | <p>All employees were provided with fair contracts that have been signed by both employee and employer. Copy of contract available ass per sample employment contract file and pay slips verified as per sampled employment contract file:</p> <ul style="list-style-type: none"> • MY00004670 • MY00000846 • MY00002446 • MY00000774 • MY00007080 • FW000873 • FW001666 | Complied |

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| | | <ul style="list-style-type: none"> • FW002803 • FW000811 • FW005195 | |
| 4.4.5.7 | <p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p> | <p>Based on the sampled pay slips of workers as above, there is no trace of breach of payment as stipulated in their contract. Interview with workers shows no issue on wages received. During site visit, interview with both local and foreign workers revealed no discrimination on overtime hours as well on wages received for overtime work done. This was also cross checked in their respective pay slips against punch card monthly/daily and daily payroll records sample and no discrepancies found.</p> | Complied |
| 4.4.5.8 | <p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p> | <p>The working hours and break for each individual was available under check roll record. The over time was mutually agreed as per agreement contract between employee and employer and also meet the legal (Sarawak Labour Ordinance). As at current status, there was none has crossed 80 hours of overtime. Verified the pay slips, the payment and calculation of overt time well distributed. The overtime rate after 8 hours daily rated is:</p> <p>(upkeep/maintenance/general workers)</p> <ul style="list-style-type: none"> - Mon - Sat - daily rated / 8 hours x 1.5 - Sunday - daily rated / 8 hours x 2.0 - Public holiday - daily rated / 8 hours x 3.0 <p>The payment of overtime was been verified as per payslip and check roll record as per below sampling:-</p> <ul style="list-style-type: none"> • MY00004670 • MY00000846 | Complied |

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| | | <ul style="list-style-type: none"> • MY00002446 • MY00000774 • MY00007080 • FW000873 • FW001666 • FW002803 • FW000811 • FW005195 | |
| 4.4.5.9 | <p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p> | Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers payslip showed confirm that workers are being paid more than the stipulated minimum wage and that they understand all the deductions being made. | Complied |
| 4.4.5.10 | <p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p> | For local workers, the incentives for good work performance by giving hampers for general workers during annual dinner and for staff is based on KPI eligible for incentive, bonus payment, professional development for only executive and above, medical care and health provisions are for entire work force including periodical medical surveillance for sprayers. | Complied |
| 4.4.5.11 | <p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p> | Workers were provided with housing in clean and conducive condition. Progressively old wooden house will be replaced with concrete house as part of continual improvement plan. As minimum, workers housing inspection has been conducted by site safety officer on monthly basis. As for Sarawak, Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) is not applicable. Refer to letter from Labour Department, ref. no.: JTKSWK/DA/(S) 18 JLD 3 (27) dated 15/5/18. Sampling on workers housing inspection dated 15/4/2021. The | Complied |

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| | | management also establish the scheduled for communal work ensure the workers housing in good condition. | |
| 4.4.5.12 | The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance - | The management established the Sexual Harassment Policy – 5/5/2017 to prevent all forms of sexual harassment and violence at workplace. The training been done by management dated 22/4/2021 to all workers and staff. No record of sexual harassment cases in this estate. | Complied |
| 4.4.5.13 | The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance - | The management established the Freedom of Association & Collective Bargaining Policy - 009 to facilitate the collective bargaining in accordance with applicable laws and regulations. Sighted the latest JCC meeting for Worker-Management Committee Organization Chart 2021. No changes on committee members the appointment as to date. Latest JCC meeting dated 19/3/2021 was made available for review. | Complied |
| 4.4.5.14 | Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions. - Major compliance - | In-line with the established Child Labour Policy – 005/2016; it was verified during site visit to field and line site, there was no evidence of workers below 18 years old been employed. Workers were also aware of the minimum age policy is being strictly enforced by the management at which the age limit is above 18 years old. No changes from previous audit. | Complied |
| Criterion 4.4.6: Training and competency | | | |
| 4.4.6.1 | All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the | The estate has established guidelines on training procedure, ref doc no: PGHSB/SOPP/004/2018(2019-02), version 02, released on May | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept. - Major compliance - | 2019. This objective of this guidelines is to ensure all employees are trained and capable carrying out their task and responsibility. Annual training program was made available to the audit team and verified. The estate management has schedule appropriate training for every employee including the executive levels. | |
| 4.4.6.2 | Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance - | Training needs analysis for each employee has been identified and reflected in their training program. | Complied |
| 4.4.6.3 | A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance - | Continuous training program is reflected in their annual training program. The estate management is consistent in providing training to their workers. | Complied |
| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | |
| Criterion 4.5.1: Environmental Management Plan | | | |
| 4.5.1.1 | An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance - | The group's environmental policy was made available to the audit team. It was endorsed by Mr. Tiong Chiong Hee (Managing Director) on 21/11/2016. The company has stated their commitment to seek continual improvements in the environmental performance and comply with all environmental legislations, regulations and codes of practice relevant to the plantation industry. Environmental management plan is integrated with their continual improvement plan. The estate management has identified 14 section | Complied |

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|--------------------------|--|---|------------|-----------------|--------------------------|---|--------------|--|----------------|--|----------------|--|--|
| | | <p>that might give impact to the environment. Some of the section are as follow:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Section</th> <th>Positive Action</th> </tr> </thead> <tbody> <tr> <td>Water Quality Management</td> <td>Avoid spraying alongside the drain No rubbish dumping into the drain and waterways Awareness briefing</td> </tr> <tr> <td>Soil erosion</td> <td>Maintain cover crop, soft grasses of the drains and roads. Proper road design</td> </tr> <tr> <td>Schedule waste</td> <td>To record waste inventory Briefing on handling SW Proper labelling the empty chemical containers</td> </tr> <tr> <td>RTE management</td> <td>Discouraging illegal hunting via training and briefing Use more IPM system No spraying alongside the drain</td> </tr> </tbody> </table> | Section | Positive Action | Water Quality Management | Avoid spraying alongside the drain No rubbish dumping into the drain and waterways Awareness briefing | Soil erosion | Maintain cover crop, soft grasses of the drains and roads. Proper road design | Schedule waste | To record waste inventory Briefing on handling SW Proper labelling the empty chemical containers | RTE management | Discouraging illegal hunting via training and briefing Use more IPM system No spraying alongside the drain | |
| Section | Positive Action | | | | | | | | | | | | |
| Water Quality Management | Avoid spraying alongside the drain No rubbish dumping into the drain and waterways Awareness briefing | | | | | | | | | | | | |
| Soil erosion | Maintain cover crop, soft grasses of the drains and roads. Proper road design | | | | | | | | | | | | |
| Schedule waste | To record waste inventory Briefing on handling SW Proper labelling the empty chemical containers | | | | | | | | | | | | |
| RTE management | Discouraging illegal hunting via training and briefing Use more IPM system No spraying alongside the drain | | | | | | | | | | | | |
| 4.5.1.2 | <p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p> | <p>The environmental management plan has identified 16 area or processing station that may give impact to the environment. The area is being monitored as per stipulated frequency. The environmental compliance checklist was made available to the audit team and verified. The area or processing station are as follow:</p> <ul style="list-style-type: none"> • Herbicide spraying • Manuring • Harvesting & pruning • EFB mulching • Replanting | Complied | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| | | <ul style="list-style-type: none"> • Triple rinsing • Water treatment plant • Worker’s housing. | |
| 4.5.1.3 | <p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p> | <p>Environment improvement plan to mitigate the negative impact was included in their environmental continual improvement plan. Sighted some of the monitoring conducted by the estate management to ensure the practices are effectively implemented.</p> <ul style="list-style-type: none"> a. To conduct regular inspection on the waste collection. b. Riparian & buffer zone inspection records. c. Peat subsidence monitoring records. | Complied |
| 4.5.1.4 | <p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p> | <p>Program to promote positive impacts were included in the continual improvement plan. Positive action plan was briefed under indicator 4.5.1.1.</p> | Complied |
| 4.5.1.5 | <p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p> | <p>The estate’s workers have undergone series of training in order to ensure the environmental policy to be implemented accordingly. Some of the training sighted as follow:</p> <ul style="list-style-type: none"> a. 3R awareness training, conducted by Mr. Robson Imang Alendosen, on 27/07/2021. b. MSPO awareness training conducted on 04/05/2021, delivered by Mr. Robson Imang Alendosen. c. Buffer zone awareness briefing conducted on 27/05/2021. | Complied |
| 4.5.1.6 | <p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p> | <p>Meeting was conducted on need basis to discuss on the environmental issues. Latest meeting was conducted on 25/03/2021, attended by 11 participants. The meeting agenda area as follow:</p> <ul style="list-style-type: none"> a. Best management practice | Complied |

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| | | b. Environment c. Boundary pegs monitoring d. Schedule waste storage | |
| Criterion 4.5.2: Efficiency of energy use and use of renewable energy | | | |
| 4.5.2.1 | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance - | Usage of non-renewable energy is monitored on monthly basis. Record on the usage of diesel is available for review and well maintained at the estate office. Data as of June 2021 records that actual fuel consumption at 83,183 litres of diesel and actual FFB production at 18,003.78 Mt. Actual baseline recorded at 4.60 litre/Mt FFB. | Complied |
| 4.5.2.2 | The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance - | The estate management has estimated the direct usage of non-renewable energy and documented in their estate annual budget. As for year 2021, the estate estimated the fuel consumption at 410,820 litres. | Complied |
| 4.5.2.3 | The use of renewable energy should be applied where possible. - Minor compliance - | Not applicable the estate used gen set to generate and supply the electricity to the resident. | Complied |
| Criterion 4.5.3: Waste management and disposal | | | |
| 4.5.3.1 | All waste products and sources of pollution shall be identified and documented. - Major compliance - | Waste products has been identified in the Environmental Aspect Impact report and Environmental Continual Improvement Plan. 16 area or processing station has been identified to produce waste | Complied |

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| | | (domestic/schedule waste) which are chemical premix store, machinery maintenance, water treatment plan, housing area and etc. | | | | | | | |
| 4.5.3.2 | <p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p> | <p>Among the action plan documented for the waste management plan are:</p> <table border="1"> <thead> <tr> <th>Waste</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Domestic Waste</td> <td> <p>a. Regular inspection</p> <p>b. Awareness briefing</p> <p>c. Ensure waste collection on track</p> </td> </tr> <tr> <td>Schedule Waste</td> <td> <p>a. Proper labelling the designated containers for storage.</p> <p>b. Engage license contractor to collect schedule waste.</p> </td> </tr> </tbody> </table> | Waste | Action Plan | Domestic Waste | <p>a. Regular inspection</p> <p>b. Awareness briefing</p> <p>c. Ensure waste collection on track</p> | Schedule Waste | <p>a. Proper labelling the designated containers for storage.</p> <p>b. Engage license contractor to collect schedule waste.</p> | Complied |
| Waste | Action Plan | | | | | | | | |
| Domestic Waste | <p>a. Regular inspection</p> <p>b. Awareness briefing</p> <p>c. Ensure waste collection on track</p> | | | | | | | | |
| Schedule Waste | <p>a. Proper labelling the designated containers for storage.</p> <p>b. Engage license contractor to collect schedule waste.</p> | | | | | | | | |
| 4.5.3.3 | <p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p> | <p>The group developed Schedule Waste Handling Storage Guidance, reference no: PGHSB/SOPP/01/201, version 01, prepared by Agronomic & Sustainability Department, endorsed by the Mr. Tiong Chiong Hee (Managing Director) dated on 21/11/2016.</p> <p>The objective of this procedure is to provide guidance on the implementation of national legislation concerning the handling and storage of scheduled waste. Some of the guidance as follow:</p> <p><u>Chemical Containers:</u></p> <ol style="list-style-type: none"> 1. To assembled at the on-site chemical pre-mixing station upon return of the spraying teams to the facility. 2. To practices triple rinsing to ensure all chemical residues are removed from the containers. 3. Triple rinsed containers are punctured at the base to ensure no reuse for domestic water consumption. 4. Label and placed at the schedule waste storage. | Complied | | | | | | |

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| | | 5. Record the inventory and disposed to the contractors. | |
| 4.5.3.4 | Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance - | Inventory records for empty chemical containers were made available to the audit team. The estate management has recorded the units into the Containers Logbook. | Complied |
| 4.5.3.5 | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance - | Domestic waste disposed to Balingian Dumpsite, under the Sibuluan Municipal Council. | Complied |
| Criterion 4.5.4: Reduction of pollution and emission | | | |
| 4.5.4.1 | An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance - | The estate management has established GHG Monitoring/Minimization Plan 2021. Among the impact listed under the plan were water management, fire prevention, soil compaction, fertilizer practices, carbon stock and fuel utilization. The management also has relevant action to reduce the impact towards the environment. a. To maintain water level at 40 cm – 70 cm from the ground surface. b. To follow manual for control of fire in peat land area. c. To conserve riparian zone. d. To conduct regular service and maintenance for estate vehicle. e. To place oil tray under vehicle at workshop to avoid from spillage. | Complied |
| 4.5.4.2 | An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance - | Plan to reduce identified significant pollutants is documented under GHG Monitoring/Minimizing Plan 2021. Action taken to reduce the pollution is explained under the indicator 4.5.4.1. | Complied |

| Criterion / Indicator | Assessment Findings | Compliance |
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| Criterion 4.5.5: Natural water resources | | |
| <p>4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p> | <p>Water management plan has been developed with intention to determine the standard for ongoing development and operation of water related activities. There is no water treatment done by the estate and the water supply comes from the rainwater.</p> <p>The estate conducted water quality management in order to ensure the water consume are safe. Year 2021 water quality test was yet to be conducted due to the Movement Restriction Order and the management has postponed test to be done in the second of 2021 (July – Dec 2021).</p> <p>The management has established guidelines on riparian protection, reference no: PGHSB/SOPP/003/2015, version 01, endorsed by Managing Director on 21/12/2015.</p> <p>No bore well being used in the estate compound.</p> | <p>Complied</p> |
| <p>4.5.5.2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> | <p>There is no construction of bunds, weirs and dams across main rivers or waterways passing through sampling estate.</p> | <p>Complied</p> |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | - Minor compliance - | | |
| 4.5.5.3 | Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance - | Water harvesting practices was implemented. It was used to harvest rainwater for domestic consumption. | Complied |
| Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value | | | |
| 4.5.6.1 | Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance - | The estate management has taken appropriate action to monitor and conserve the environment. Any flora or fauna found roaming in the estate area will be recorded in the RTE Logbook. RTE records were made available to the audit team and verified. | Complied |
| 4.5.6.2 | If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include: a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to | Among the positive action documented in the RTE management plan were no activities to harm the flora fauna, to use more IPM system in the pest & diseases control and to spread awareness to the employees. Related training to discourage illegal hunting has been conducted to the workers on 27/07/2021, delivered by Mr. Robson Imang Alendosen. | Complied |

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| | resolve human-wildlife conflicts. - Major compliance - | | |
| 4.5.6.3 | A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance - | The estate management has developed Rare, Threatened and Endangered management plan. Among the parameters they monitored were protected species, riparian reserved area, estate compound and signboard/information notice. | Complied |
| Criterion 4.5.7: Zero burning practices | | | |
| 4.5.7.1 | Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance - | Not applicable since no replanting program schedule for this estate besides the group implementing Zero Burning Policy. | Complied |
| 4.5.7.2 | A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance - | Not applicable since no replanting program schedule for this estate. | Complied |
| 4.5.7.3 | Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance - | Not applicable since no replanting program schedule for this estate. | Complied |
| 4.5.7.4 | Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance - | Not applicable since no replanting program schedule for this estate. | Complied |
| 4.6 Principle 6: Best Practices | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| Criterion 4.6.1: Site Management | | | |
| 4.6.1.1 | <p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p> | <p>The group has established standard operation procedure and policies in order to ensure the operation conducted in the best management method. The group has 9 Best Management Practices and 15 Policies regarding on the sustainability. Some of the list are as follow:</p> <p>Best Management Practices</p> <ul style="list-style-type: none"> a. BMP – Oil Palm Harvesting Practices b. BMP – Termite Control in Oil Palm Plantation c. BMP – Water Management in Peat Soil d. BMP – Oil Palm Nursery Management e. BMP – IPM in Oil Palm Agrotechnology <p>Sustainability Policies</p> <ul style="list-style-type: none"> a. Riparian Protection Policy b. Child Labour Policy c. Water Use Monitoring Policy d. Communication & Consultation Policy e. Human Rights Policy <p>The estate management has developed annual training program and conducted the training or briefing on regular basis. Trainings & briefing records were made available to the audit team and verified.</p> <p>TQM meeting was conducted on monthly basis in order to ensure and monitor the operation procedure. Among the agenda discussed during the meeting were manuring reports, fertilizer delivery, pest & disease</p> | Complied |

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| | | control, major planting & supplying, FFB production reports, clerical matters and others. | |
| 4.6.1.2 | Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance - | The estate was developed on the peat soil series and generally has flat area. | Complied |
| 4.6.1.3 | A visual identification or reference system shall be established for each field. - Major compliance - | Visual identification contains the information such as block no, planted year, hectarage and planting material. Boundary pegs were mark and made visible. | Complied |
| Criterion 4.6.2: Economic and financial viability plan | | | |
| 4.6.2.1 | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance - | Business management plan was made available to the audit team. Attention was given to the FFB projection, capital expenditure, revenue expenditure, mature upkeep, general charges, harvesting FFB, transportation FFB, loading FFB, loose fruit collection and agent fee. | Complied |
| 4.6.2.2 | Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance - | Not applicable since the palm oil age is still far from replanting phases. | Complied |
| 4.6.2.3 | The business or management plan may contain: a) Attention to quality of planting materials and FFB | Business management plan was made available to the audit team. Attention was given to the FFB projection, capital expenditure, revenue | Complied |

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| | b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance - | expenditure, mature upkeep, general charges, harvesting FFB, transportation FFB, loading FFB, loose fruit collection and agent fee. | |
| 4.6.2.4 | The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance - | The estate management regularly monitored the estate operation by conducting monthly Total Quality Management meeting, attended by the estate executives and field staffs. Meeting minutes were made available to the audit team and verified. TQM meeting was conducted on monthly basis in order to ensure and monitor the operation procedure. Among the agenda discussed during the meeting were manuring reports, fertilizer delivery, pest & disease control, major planting & supplying, FFB production reports, clerical matters and others. | Complied |
| Criterion 4.6.3: Transparent and fair price dealing | | | |
| 4.6.3.1 | Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance - | There are contractor in Jobenar Raya Sdn Bhd is for FFB transporter and FFB Loading. The pricing mechanisms for the products and other services were effectively documented and implemented as per following example: Contract work agreement for FFB transporter and loading FFB, ref. no.: JRSB/NC21040002 dated 1/4/2021 between Jobenar Raya Sdn Bhd and contractor, Frank Ak Thomas. | Complied |
| 4.6.3.2 | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. | Contract work agreement for FFB transporter and loading FFB, ref. no.: JRSB/NC21040002 dated 1/4/2021 between Jobenar Raya Sdn Bhd | Complied |

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| | - Major compliance - | and contractor, Frank Ak Thomas. Signature of the manager for estate and contractor evident in the agreement in April 2021. Payment records were found to be prompt and made in timely manner. Sample record payment as per JRSB/PE21030008 dated 31/3/2021. The record available for review in estate. | |
| Criterion 4.6.4: Contractor | | | |
| 4.6.4.1 | Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance - | Refer to harvesting contract for 1 contractor; i) Contract work agreement for FFB transporter and loading FFB, ref. no.: JRSB/NC21040002 dated 1/4/2021 between Jobenar Raya Sdn Bhd and contractor, Frank Ak Thomas. Signature of the manager for estate and contractor evident in the agreement in 1/4/2021. In the contract already stated regarding MSPO matter, all contractor been brief before sign the contract. | Complied |
| 4.6.4.2 | The management shall provide evidence of agreed contracts with the contractor. - Major compliance - | Contract work agreement for FFB transporter and loading FFB, ref. no.: JRSB/NC21040002 dated 1/4/2021 between Jobenar Raya Sdn Bhd and contractor, Frank Ak Thomas. Signature of the manager for estate and contractor evident in the agreement in 1/4/2021. | Complied |
| 4.6.4.3 | The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance - | The company has no objection to allow BSI auditors to verify the assessment through physical inspection if required as stated under statutory requirement as per mention in the contract. | Complied |
| 4.6.4.4 | The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance - | Contract work agreement for FFB transporter and loading FFB, ref. no.: JRSB/NC21040002 dated 1/4/2021 between Jobenar Raya Sdn Bhd and contractor, Frank Ak Thomas. The contractor works has been recorded and approved in work verification @ certificate for payment before payment made by HQ in Sibuluhung. | Complied |

| Criterion / Indicator | Assessment Findings | Compliance |
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| 4.7 Principle 7: Development of new planting | | |
| Criterion 4.7.1: High biodiversity value | | |
| 4.7.1.1 | Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. |
| 4.7.1.2 | No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. |
| Criterion 4.7.2: Peat Land | | |
| 4.7.2.1 | New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. |
| Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA) | | |

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| 4.7.3.1 | A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.3.2 | SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.3.3 | The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.3.4 | Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| Criterion 4.7.4: Soil and topographic information | | | |
| 4.7.4.1 | Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.4.2 | Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |

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| | other infrastructure. - Major compliance - | | |
| Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils | | | |
| 4.7.5.1 | Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.5.2 | Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.5.3 | Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| Criterion 4.7.6: Customary land | | | |
| 4.7.6.1 | No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|----------------|
| 4.7.6.2 | Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.6.3 | Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.6.4 | The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.6.5 | Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.6.6 | A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |
| 4.7.6.7 | The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance - | Not applicable because no new development in Jobenar Raya Tatau Estate. | Not Applicable |

| | | | |
|-----------------------|--|--|-----------------------|
| <p>4.7.6.8</p> | <p>Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -</p> | <p>Not applicable because no new development in Jobenar Raya Tatau Estate.</p> | <p>Not Applicable</p> |
|-----------------------|--|--|-----------------------|

Appendix B: List of Stakeholders Contacted

| | |
|--|---|
| <p>Government Officer: Nil</p> | <p>Community/neighbouring village: Nil</p> |
| <p>Suppliers/Contractors/Vendors: Nil</p> | <p>Worker’s Representative/Gender Committee: JCC Representative Gender Representative Worker’s representative by nationalities Field workers</p> |

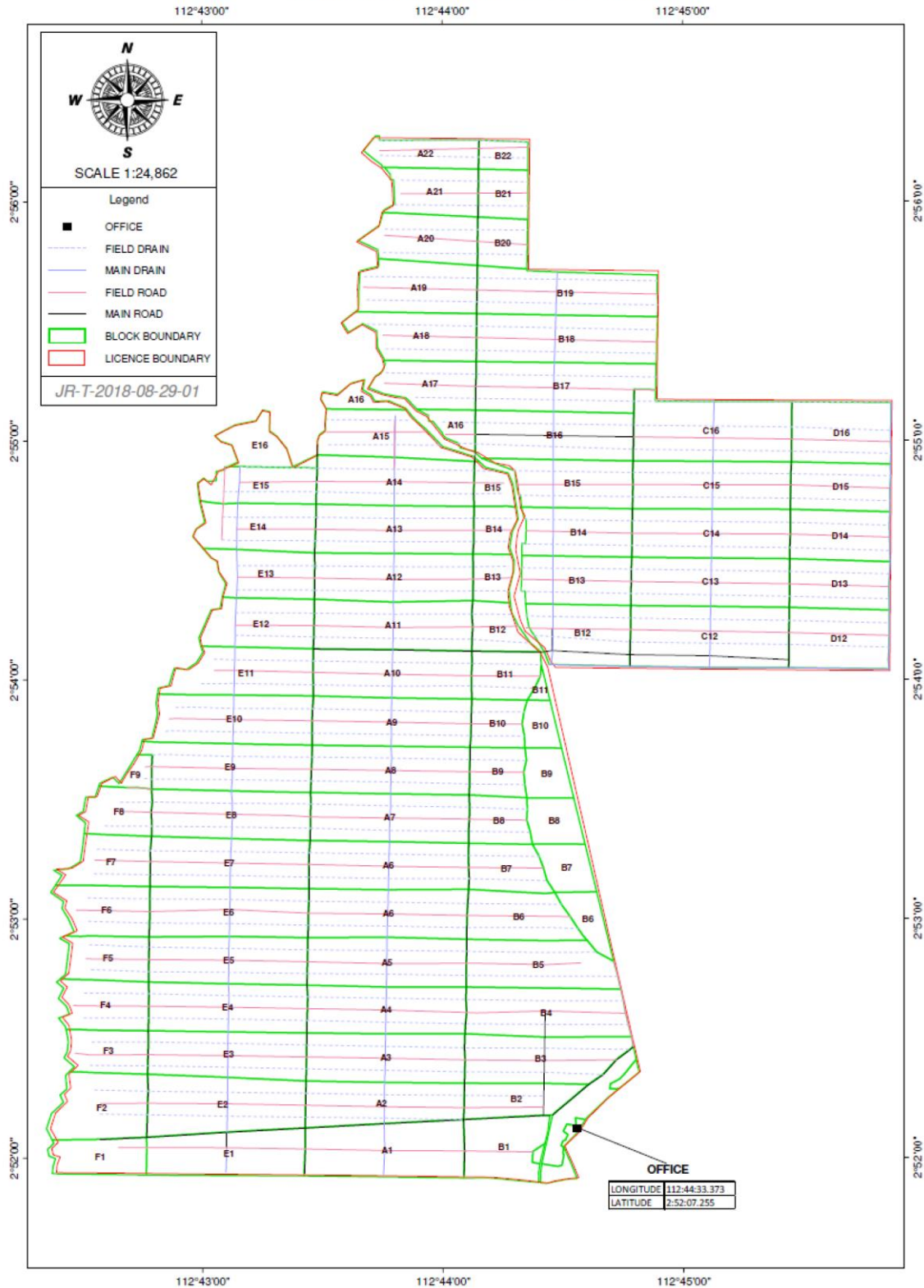
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Appendix C: Smallholder Member Details

| No. | Smallholder | | Location of Planted Area (District) | GPS Coordinates | Certified Area (ha) | Planted Area (ha) |
|-----|----------------|---------------------|-------------------------------------|-----------------|---------------------|-------------------|
| | Name | MPOB License Number | | | | |
| | Not Applicable | | | | | |

Appendix D: Location and Field Map

JOBENAR RAYA SDN BHD - TATAU



Appendix E: List of Abbreviations

| | |
|------|--|
| BOD | Biochemical Oxygen Demand |
| CB | Certification Bodies |
| CHRA | Chemical Health Risk Assessment |
| COD | Chemical Oxygen Demand |
| CPO | Crude Palm 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 |
| ISCC | International Sustainable Carbon Certification |
| LD50 | Lethal Dose for 50 sample |
| MSPO | Malaysian Sustainable Palm Oil |
| 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 |
| RTE | Rare, Threatened or Endangered species |
| SEIA | Social & Environmental Impact Assessment |
| SIA | Social Impact Assessment |
| SOP | Standard Operating Procedure |