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## **Roundtable on Sustainable Palm Oil**

### **Public Summary Report**

Report no.: RA\_14016

Recertification assessment against the  
RSPO Principles & Criteria Malaysia National Interpretation year 2014  
& RSPO Supply Chain Certificaton Standard 2014

**Sg. Segama Group of Estates**  
**Hap Seng Plantations(Rivers Estate) Sdn. Bhd**  
**(Subsidiary of Hap Seng Plantations Holdings Bhd)**  
**Lahad Datu, Sabah, Malaysia**

Date of assessment: 27 – 31 March 2017

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## 1.0 SCOPE OF RECERTIFICATION ASSESSMENT

### 1.1 National Interpretation Used

The operations of the palm oil mill(s) and its supply base of FFB were assessed against the Malaysia National Interpretation year 2014 of the RSPO Principles & Criteria (P&C) and the RSPO Supply Chain Certification Standard 2014, Module D – CPO Mills: Identity Preserved (IP)

### 1.2 Type of Assessment

The recertification assessment was carried out on one mill and 3 company owned estates under Sg. Segama Group of Estates (SSGOE), Hap Seng Plantations (River Estates) Sdn. Bhd owned by Hap Seng Plantations Holdings Berhad. The date of recertification of this unit was March 27 – 31, 2017.

### 1.3 Certification Details

The details of RSPO certification of Bukit Mas Palm Oil Mill are as per the table below

**Table 1: RSPO Certification details of Bukit Mas Palm Oil Mill**

<b>RSPO Membership no.:</b>	1-0098-11-000-00
<b>RSPO Certificate no.:</b>	824 502 14016
<b>Date of current RSPO certificate &amp; validity:</b>	May 24 <sup>th</sup> 2017 – May 23 <sup>rd</sup> 2022
<b>Date of recertification audit:</b>	March 27 – 31, 2017
<b>Date of previous RSPO certificate &amp; validity:</b>	May 24, 2017 to May 23, 2017
<b>Date of certification audit:</b>	June 27, 2011 to July 02, 2011
<b>Date of previous surveillance audit:</b>	28 - 31 March 2016
<b>CPO tonnages claimed*:</b>	34,040
<b>PK tonnages claimed*:</b>	8,547

### 1.4 Location and Maps

**Table 2: GPS locations for all estates and mills included in certification assessment**

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Bukit Mas (BM) Palm Oil Mill	Jalan Jeroco, Lahad Datu Sabah	5°20' 14.281"N	118°28'25.104"E
Bukit Mas (BM) Estate	Jalan Jeroco, Lahad Datu Sabah	5°19'01.928" N	118°27'46.294" E
Sungai Segama I (SSE1) Estate	Jalan Jeroco, Lahad Datu Sabah	5°19'02.421" N	118°27'47.331" E
Sungai Segama II (SSE2) Estate	Jalan Jeroco, Lahad Datu Sabah	5°19'02.421" N	118°27'47.331" E

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- Sg. Segama Group of Estates, Hap Seng Plantations (River Estates) Sdn. Bhd., Lahad Datu  
Malaysia

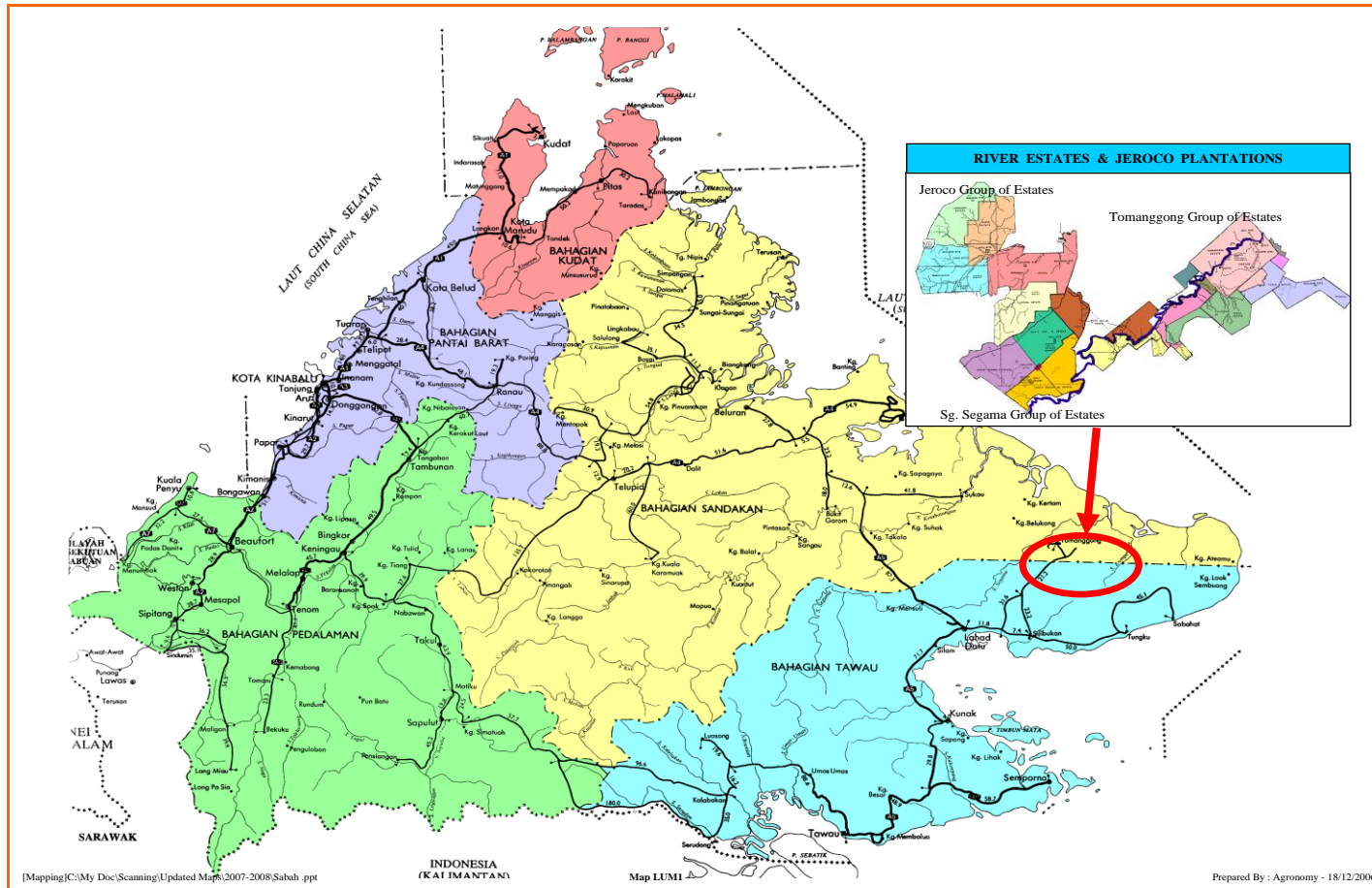


Figure 1: Location of Sg. Segama Group of Estates within Hap Seng Plantations Sdn. Bhd. River Estates and Jeroco Plantations in Sabah, Malaysia

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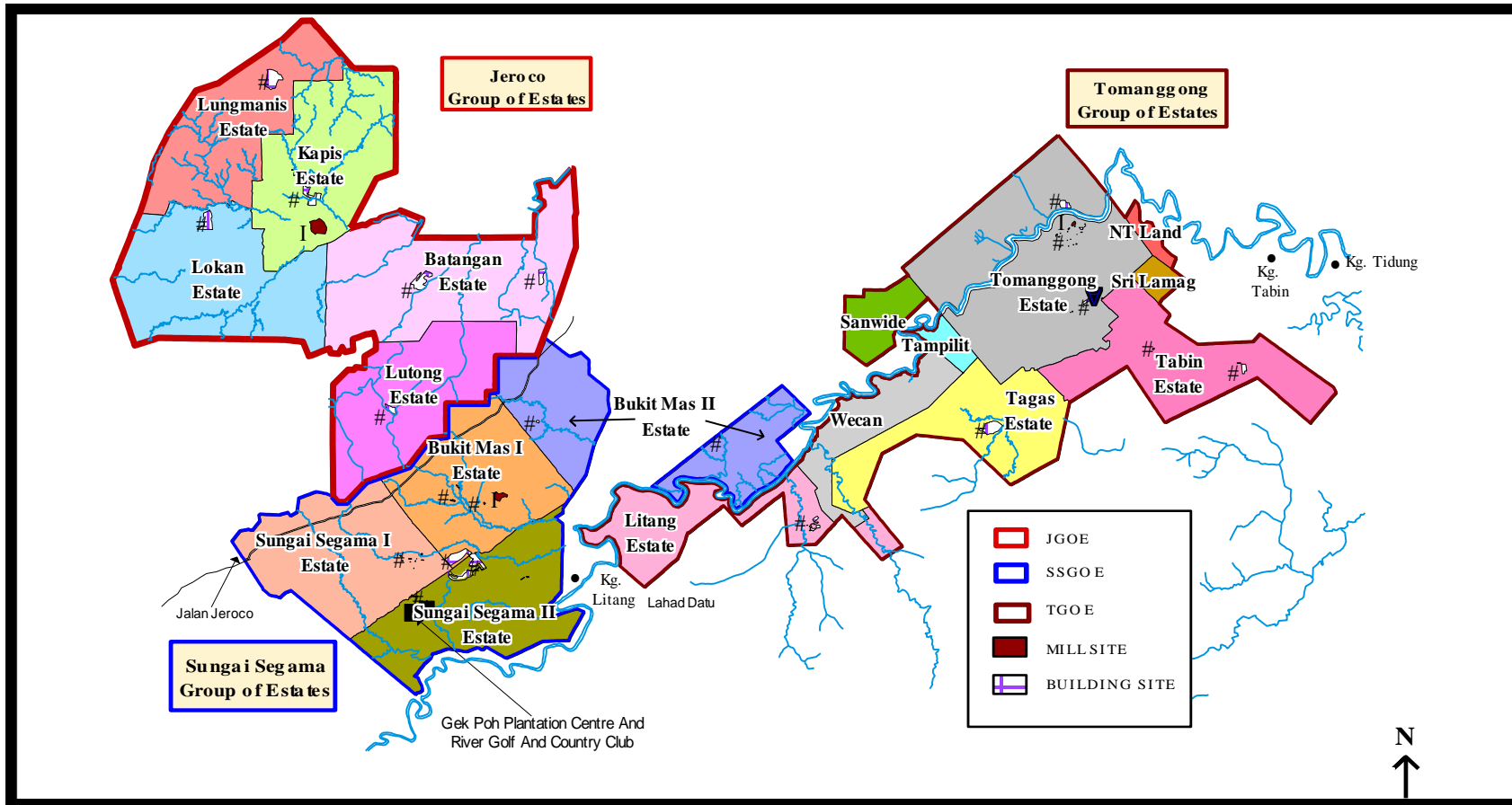


Figure 2: Estate map of Sg. Segama Group of Estates (SSGOE) relative to other groups of estates under Hap Seng Plantations Sdn. Bhd. (blue outline)

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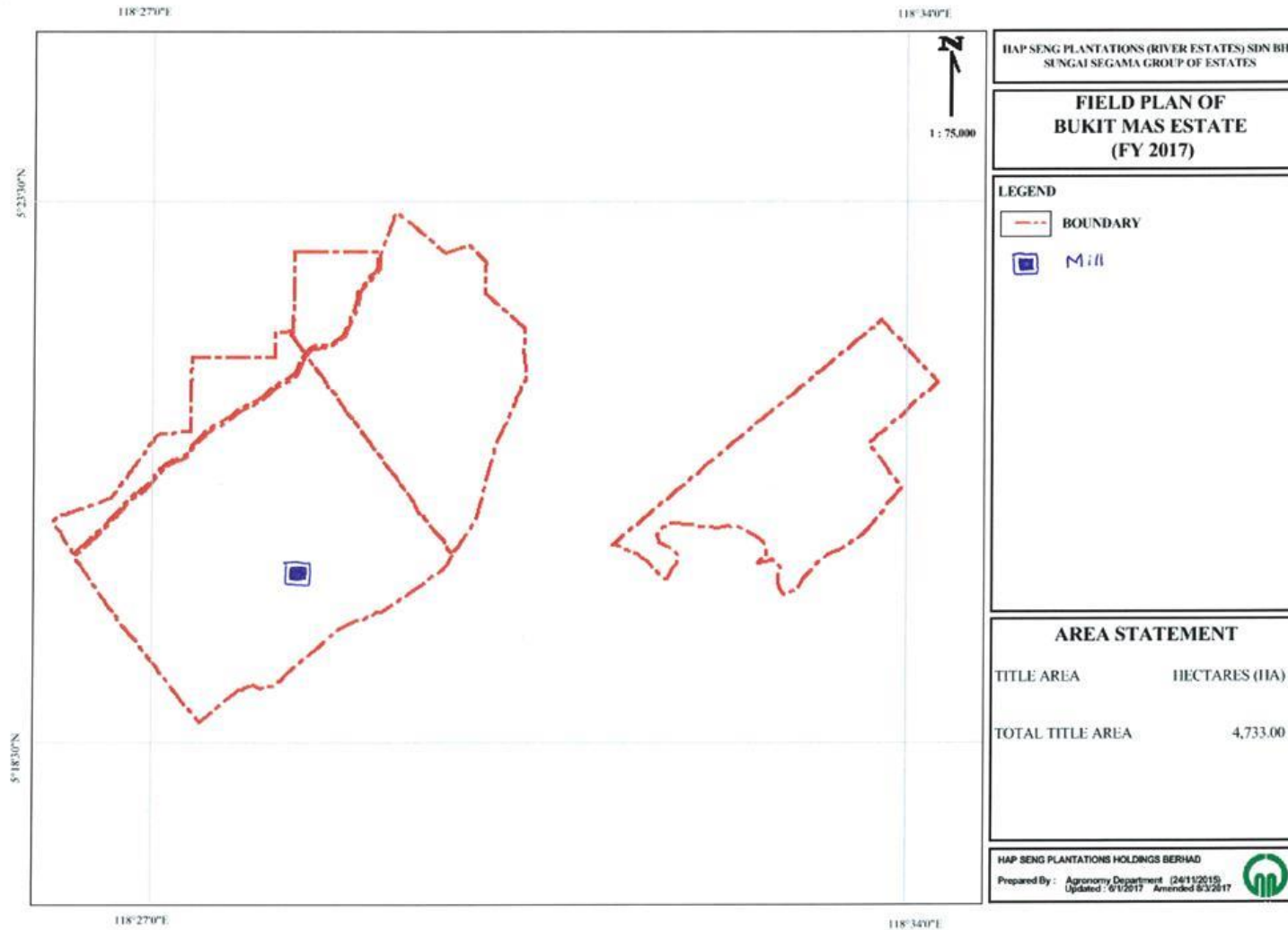


Figure 3: Field map of Bukit Mas Estate

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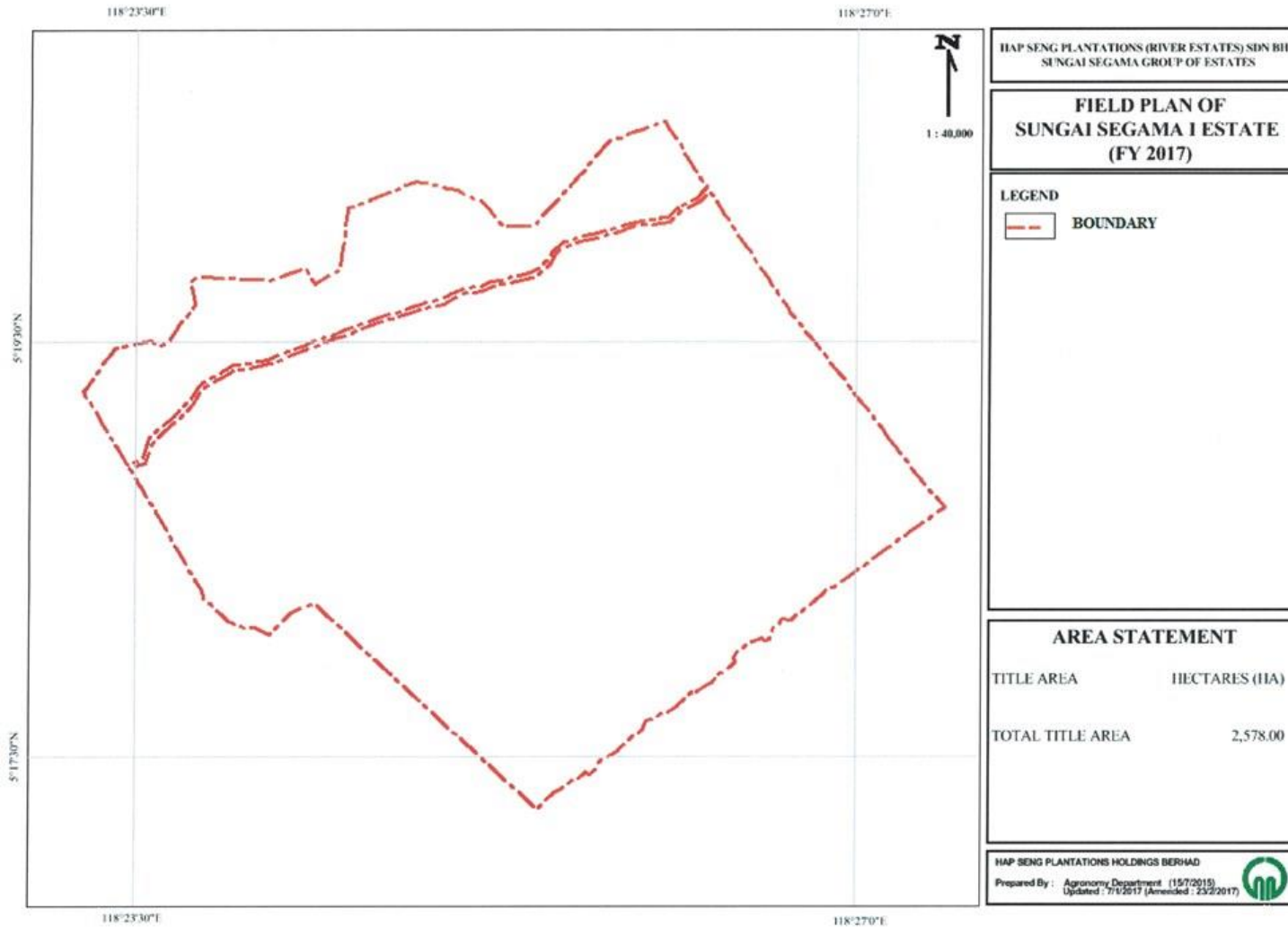


Figure 4: Field map of Sg. Segama I estate

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Figure 5: Field map of Sg. Segama II estate



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### 1.5 Description of Supply Base

Bukit Mas Palm Oil Mill is one of the palm oil mills that is owned by Hap Seng Plantations Holdings Berhad located in Lahad Datu, Sabah Malaysia. Bukit Mas Palm Oil Mill was established in 1998 with a production capacity of 288,000 mt/year according to the mill's license from the Malaysian Palm Oil Board (MPOB) No. 500254304000. Bukit Mas Palm Oil Mill receives supplies from its 3 company-owned estates, as described below. The scope of this assessment only covers the 3 company-owned estates under Hap Seng Plantations (River Estates) Sdn. Bhd., Sungai Segama Group of Estates, which are Bukit Mas Estate, Sungai Segama 1 and Sungai Segama II estate.

**Table 3: FFB Supply Information for Bukit Mas Palm Oil Mill for Year 2016 and January to February 2017\***

FFB Contributors	FFB processed January-December 2016		FFB processed January-February 2017	
	Tonnes	%	Tonnes	%
<b>Company owned estates:</b>				
Bukit Mas Estate	98,863.24	40.71	9,973.14	28.17
Sungai Segama I Estate	33,355.55	13.74	2,927.53	8.27
Sungai Segama II Estate	47,619.68	19.61	4,983.57	14.07
SSGOE-Processed at JPOM**			8,575.89	24.22
<b>Sub-total</b>	<b>179,838.47</b>	<b>74.06</b>	<b>26,460.13</b>	<b>74.73</b>
<b>Other certified FFB sources***:</b>				
Litang	2,698.94	1.11	490.1	1.38
Tagas	12,427.80	5.12	2,356.49	6.66
Tomanggong	13,046.19	5.37	1,631.91	4.61
Tampilit (Division of Tagas)	899.59	0.37	265.98	0.75
Wecan (Division of Litang)	3,501.34	1.44	279.02	0.79
Kawa	26,949.37	11.10	3,510.95	9.92
Hap Seng Properties	1,550.94	0.64	414.03	1.17
Batangan	854.20	0.35	-	-
Kretam (Division of Batangan)	316.22	0.13	-	-
Lutong	747.11	0.31	-	-
<b>Subtotal</b>	<b>62,991.70</b>	<b>25.94</b>	<b>8,948.39</b>	<b>25.27</b>
<b>TOTAL</b>	<b>242,830.17</b>	<b>100.00</b>	<b>35,408.52</b>	<b>100.00</b>

**Notes:**

\* Data from Monthly Performance Report of Bukit Mas POM for December 2016 and February 2017

\*\* Crop from SSGOE which was diverted to Jeroco Palm Oil Mill (JPOM, i.e. another mill under Hap Seng Plantations (River Estates) Sdn. Bhd.) during the time of mill inspection

\*\*\* Litang, Tagas and Tomanggong are all certified estates under HSPHB's Tomanggong Group of Estates. Batangan and Lutong are certified estates under HSPHB's Jeroco Group of Estates (Jeroco Palm Oil Mill 1), Tampilit, Wecan and Kretam are divisions of other certified estates (as stated in the table), while Kawa Estate and Hap Seng Properties and certified estates under HSPHB as well.

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**Table 4: Certified tonnages claimed, certified tonnages purchased or sold, total and projected CPO and PK production from Bukit Mas palm oil Mill**

	Amount (MT)		
	FFB	CPO	PK
<b>Certified tonnages sold within current license validity period (May 24, 2016 to May 23, 2017)*</b>	-	41,681.33	9,551.16
<b>Total Actual Production for year 2016**</b>	242,830.17	48,090.01	13,247.79
<b>Actual Certified Production for year 2016**</b>			
<b>Conversion Rate for year 2016**</b>	-	19.80%	5.46%
<b>Total Projected Production for year 2017***</b>	185,303.00	39,840	10,006
<b>Projected Certified Production for year 2017*** / Certified tonnages claimed</b>	158,303.00	34,030	8,547
<b>Projected conversion rate for year 2017***</b>	-	21.50%	5.40%

\* Confirmed through PalmTrace transaction records. Records of certified tonnages sold with current license validity period was checked for until the date of this audit on 30 March 2017.

\*\* Information from Monthly Performance Report of BPOM for December 2016. Actual certified production includes amount of crop diverted to Jeroco POM during the time BPOM was under maintenance

\*\*\*Information derived from Bukit Mas POM budget for year 2017

### 1.6 Dates of Plantings and Replanting Cycles

The company follows a replanting cycle of 25 years. Information on the dates of plantings are as per the table below.

**Table 5: Age and year of plantings of company estate supplying to Bukit Mas Palm Oil Mill**

Year of Plantings	Oil palm planted area at each estate(ha)		
	Bukit Mas estate	Sg. Segama I	Sg. Segama II
2016	-	385*	-
2008	-	-	3
2005	-	-	3
2004	-	-	29.8
2002	-	-	10.5
2001	6	-	25.5
2000	-	-	198.4
1999	16	42.5	136.6
1998	109.5	-	-
1997	-	-	112.7
1996	1360.5	-	-
1995	1617.5	-	-
1994	1127.5	-	884.5
1993	21	72	703.5
1992	-	1889.8	-
<b>TOTAL</b>	<b>4258</b>	<b>2389.30</b>	<b>2107.50</b>

\* Replanted area

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**Table 6: Planned and actual oil palm replanting activities for Hap Seng Plantations**

Year	Total planned replanting area (ha)	Total planned replanting area for each estate (ha)			Actual total area replanted (ha)
		Bukit Mas	Sungai Segama I	Sungai Segama II	
2017	459	-	459	-	-
2018	476	-	476	-	-
2019	491	-	491	-	-
2020	121	-	121	-	-
2021	696	-	420.5	275	-
2022	225.5	-	-	225.5	-
2023	840	-	-	840	-
2024	269	21	-	247.80	-

\* Replanting at Sg. Segama I is in progress at time of this recertification audit

### 1.7 Area of Plantation (Total, Planted and Mature)

**Table 7: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for Hap Seng Plantations (River Estates), Sungai Segama Group of Estates for year 2016**

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production (tonnes)	Average yield/ ha
Bukit Mas	4,732.9	4,258.0	4,258.0	-	98,863.24	23.22
Sg. Segama I	2,578	2,389.30	2,004.30	385.00*	33,355.55	16.51
Sg. Segama II	2,595.5	2,107.5	2,107.5	-	47,619.68	22.60
<b>TOTAL</b>	<b>9,906.4</b>	<b>8,754.80</b>	<b>8,754.80</b>	<b>-</b>	<b>179,838.47</b>	<b>20.78</b>

\* Replanted area in year 2016

**Table 8: Land use data for Hap Seng Plantations (River Estates), Sungai Segama Group of Estates for year 2016**

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	HCV/ Potential HCV areas (ha)*	Land used for other purposes (ha)			
				Nurseries	Buildings & Roads	Reserve Un-plantable**	Others***
Bukit Mas	4732.9	4258.00	17.5	-	351.7	123.7	-
Sg. Segama I	2,578	2389.30	30	7.7	161.8	15.7	5
Sg. Segama II	2,595.5	2107.5	157.3	-	170.1	304.7	13.7
<b>TOTAL</b>	<b>9,906.4</b>	<b>8754.80</b>	<b>204.8</b>	<b>7.7</b>	<b>683.6</b>	<b>444.1</b>	<b>18.7</b>

\* HCV areas does not include riparian buffer zone areas, as this is not identified in the company's updated HCV report for 1st March 2017.

\*\* Reserve unplantable area includes the following: i) Bukit Mas Estate – Quarry, natural streams, swamps, jungle/rocky area, pond, effluent pond, mill fibre dump site and water catchment; 2) Sg. Segama I estate - Quarry, natural streams, jungle/rocky area; 3) Sg. Segama II estate – golf course, natural stream, quarry, rocky areas, water catchment, and swamp/flood prone areas.

\*\*\* Other areas include the following: i) Sg. Segama I estate – Research area (Agrotech); ii) Sg. Segama II estate – jungle reserve

**1.8 Organisational Information / Contact Person**

Sungai Segama Groups of Estates is under Hap Seng Plantations (River Estates) Sdn. Bhd. Sungai Segama Group of estates was established in 1991 and consist of three estates which are Sungai Segama I estate, Sungai Segama II Estate and Bukit Mas Estate. Bukit Mas Estate was previously made up of Bukit Mas I and Bukit Mas II Estate, and now these two estates have been amalgamated into one estate named Bukit Mas Estate. All estates location is in Lahad Datu Sabah, Malaysia.

The first plantation in Sungai Segama I Estate started in 1991, followed by Sungai Segama II Estate and Bukit Mas I Estate and finally Bukit Mas II Estate. Planting was completed in 2008. Sungai Segama Groups of Estate has 3 land titles i.e.

1. Certificate of land ownership title no. 095317614 approved by the Director of Lands and Surveys, Land Department of Kota Kinabalu, valid since January 01, 1991 until December 21, 2089, for total area of 5044 ha for Bukit Mas I estate
2. Certificate of land ownership title no. 095317605 approved by Director of Lands and Surveys, Land Department of Kota Kinabalu valid since January 01, 1991 until December 21, 2089, for total area of 3843 ha for Sungai Segama I and Sungai Segama II estates.
3. Certificate of land ownership title no. 095316340 approved by Director of Lands and Surveys, Land Department of Kota Kinabalu valid since June 16, 1888 until December 21, 2887, for total area of 1434 ha for Bukit Mas II estate (now incorporated together with Bukit Mas I estate)

Sungai Segama Group of Estate also has their MPOB license No. 502429-602000 under name of Hap Seng Plantations (River Estates) Sdn. Bhd., CL 095317605,7614,6340 Kinabatangan, Sabah (total area 10,321.00 ha) which was valid at the time of this surveillance audit from 01-08-2016 to 31-07-2017. Bukit Mas Palm Oil Mill (BPOM) was commissioned in 1998 to process the Fresh Fruit Bunches (FFB) from Sungai Segama Group of Estate. The location of Bukit Mas Palm Oil Mill is inside of Bukit Mas estate. The mill has an operating license from MPOB i.e. MPOB 500254304000 which is updated annually and current license was valid at the time of this surveillance audit from 1 April 2016 to 31 March 2017, and the mill has received their new MPOB license for 1 April 2017 to 31 March 2018. The mill's processing capacity remains the same at 45 tonnes/hour in accordance with the mill's Department of Environment (DOE) license no. 003435 valid from 1 July 2016 until 30 June 2017.

Contacts details of the company are as follows:

<b>Company Name:</b>	Hap Seng Plantations (River Estates) Sdn. Bhd., Subsidiary of Hap Seng Plantations Holdings Berhad
<b>Address:</b>	Off KM 40 Jalan Jeroco, Lahad Datu, Sabah  Office Address: C/O Hap Seng Fertilizers Sdn. Bhd., Batu 2, Jalan Kastam Baru, 91119 Lahad Datu Sabah, Malaysia.
<b>Contact Person:</b>	Kee Keow Chong
<b>Telephone:</b>	+6089-278183
<b>Email:</b>	keekc@hapseng.com.my

**1.9 Other Achievements and Certifications Held**

**Table 7: Details of other certifications or awards held by SSGOE**

Name of mill / estate	Certification Standard / Award achieved	Certification Body / Awarder	Date Achieved/ Validity
Hap Seng Plantations (River Estates) Sdn. Bhd.	HACCP	TUV Nord	31/07/2016 – 13/02/2018
Hap Seng Plantations (River Estates) Sdn. Bhd.	ISCC EU	TUV Nord	30/11/2016 – 29/11/2017

**1.10 Time Bound Plan for Other Management Units**

The time frame laid out below is considered to be both challenging and realistic. The company will be using the experience of this main assessment to ensure that the other management units conform to the RSPO Principles & Criteria.

The audit team is satisfied that the company conforms to the RSPO requirements for partial certification as laid out in Clause 4.2.4 of the RSPO Certification Systems document.

**Table 9: Time Bound Plan of the Other Management Units**

Name of Holding	Location	Time bound plan for certification
Tomanggong Palm Oil Mill and Estate	Kinabatangan	Certified on 9 January 2015 by SIRIM
Jeroco Palm Oil Mill and Estate	Lahad Datu	Certified on 27 <sup>th</sup> September 2013 by SIRIM
Kawa Estate & Hap Seng Estate	Tawau	Certified on 16 October 2016 by TUV Rheinland
Kota Marudu & Pelipikan Estate	Kota Marudu	Planned for year 2019

There is expected delay to the planned certification plan of Kota Marudu & Pelipikan estate due to 761 ha of newly planted area the estate currently under being review by RSPO for development of a Compensation and Remediation programme.

**1.11 Compliance to Rules for Partial Certification**

Compliance of the uncertified management units of Hap Seng Plantations Holdings Bhd. against the rules for partial certification according to RSPO Certification System clause 4.2.4 was assessed by interview and onsite verification during this audit. A summary of findings is as stated below.

Partial Certification Requirements	Audit Findings
(a) The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO.	Yes, parent organization is RSPO member, with membership number 1-0098-11-000-00
(b-d) A challenging time-bound plan for certifying all its relevant entities is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills.  Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified	The company has a timebound plan, current status of each management unit as stated on the table 9 above.
(e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure	There were two occurrences of non-compliances to the RSPO New Planting Procedures within HSPHB. Please see further explanation on the cases and status in Section 1.11 below.

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<p>(f) Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p>	<p>There are 2 ongoing land dispute cases and one recently closed land dispute case affecting other management units of Hap Seng Plantations (River Estates) Sdn. Bhd. (RESB), which is described in the company's publicly available Annual Report 2015 (available on their company website). The cases are as follows:</p> <ol style="list-style-type: none"> <li>1) RESB suit against Mr. Heng Chin Hing who claims be owner of legal parcel of land held under CL095310017, District of Kinabatangan, State of Sabah measuring approximately 6,454 acres (under Litang estate in Tomanggong Group of Estates) and entered a sales and purchase agreement with another company for the land area. The case has been transferred to the High Court of Sabah &amp; Sarawak on 10 August 2012</li> <li>2) Suit from Dato Sia Yi Chan filed against RESB where he claims that Mr. Heng Chin Hing had divested his claims and interests for the same parcel of land to Dato Sia Yi Chan, and hence he was the legal owner of the land and not RESB. The case was heard on 23 October 2012 and 26 November 2012.</li> <li>3) Writ of summons filed against Pelipikan Plantation by 94 Sabahan natives claiming interest and ownership, legal and beneficial in respect of 113 parcels of land which form part of the Pelipikan Sub-Leased Lands. The case was filed on 7 August 2014 in the High Court of Sabah and Sarawak at Kota Kinabalu.</li> </ol> <p>For the 1<sup>st</sup> and 2<sup>nd</sup> case, it was informed in the company's quarterly update for December 2015 that both cases had been requested to be transferred from the Federal Court to the Sabah High Court, and the RESB suits are presentaly stayed pending determination by the Federal Court of Malaysia on the constitutionality of the transfer of civil suits from West Malaysia to the High Court of Sabah and vice versa. The company provided evidence in the form of a report issued for HSPHB to KPMG by their lawyer on 17 February 2016, which confirms the cases are currently stayed due to the pending decision from the High Court.</p> <p>With regards to the 3<sup>rd</sup> case, the company provided evidence of a consent order by the High Court in Sabah &amp; Sarawak on 15 May 2015, stating that the claims of the 94 land claimants against the company had been struck off and that they are are not entitled to possession of the land titles under dispute. The order also include a restraining order prohibiting the claimants from interfering with the enjoyment and posession of the land titles by the company.</p>
<p>(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>HSPHB currently only has one uncertified management unit, i.e. Pelipikan Estate. At this time the company has not identified or declared any labour disputes occurring at this unit, however the company has not prepared any positive assurance statement based on self assessment (internal audit) to verify compliance of uncertified management unit Pelipikan Estate to this requirement. This was raised as a non-compliance during this recertification audit.</p>
<p>(h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>HSPHB currently only has one uncertified management unit, i.e. Pelipikan Estate. At this time the company has not identified or declared any legal non-compliances occurring at this unit, however the company has not prepared any positive assurance statement based on self assessment (internal audit) to verify compliance of uncertified management unit Pelipikan Estate to this requirement. This was raised as non-compliance no. RSPO01035 during this recertification audit.</p>

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### 1.12 Compliance to other RSPO Procedures

<b>RSPO NPP</b>	<p>There were two occurrences of non-compliances to the RSPO New Planting Procedures within HSPHB as follows:</p> <p>Tomanggung Group of Estates: There was a newly development area in Tomanggung group of estate around 400 ha, which is within the company's land title area. Previously the area was a flooded area that was not developed as a plantation area, however company started development of the area in year 2011 without completing the HCV and SEIA assessment.</p> <p>Since this was raised as non conformity no. NCR 2013-01 of 06 during the 1st surveillance for SSGOE, the company took action to close this nonconformity by submitting a land use change (LUC) analysis to the RSPO and develop a compensation plan. The LUCA was approved by the RSPO reviewer as seen from email communication from the RSPO Compensation Executive dated 16 January 2017, which included the reviewer's findings and information that the liability calculated by the reviewer is 579.48ha (slightly highly than company reported figure of 548.79ha). The LUCA has been submitted to the RSPO compensation panel for endorsement.</p> <p>Kota Marudu &amp; Pelipikan Estate: 716ha of this estate was planted after year 2010 under management of another company and then later acquired by HSPHB. The company declared this planted area to RSPO as part of their liabilities and had requested submitted the completed LUCA template and disclosure of area cleared with HCV to the RSPO Compensation Team on 4 January 2017. The LUCA is currently still under review by the RSPO Compensation team</p>
<b>RSPO Compensation and Remediation procedure</b>	<p>The company will develop their RSPO Compensation and Remediation plans upon approval of LUCA for Tomanggung's new planted area and Pelipikan Estate</p>
<b>Area Subject to sanction</b>	<p>None are HSPHB's areas are currently under sanction</p>

### 1.13 Compliance to RSPO Guidance on GHG calculation

During the audit, the audit team had assessed and confirmed the following:

<b>RSPO PalmGHG Calculator used</b>	<p>PalmGHG V3.0.1</p>
<b>Accuracy of data used in RSPO PalmGHG Calculator</b>	<p>GHG emission calculation been submitted to RSPO dated 17 Jan 2017. After amendment the calculation is re-sent on 11 Feb 2017. The GHG Management was computed based on the latest PalmGHG V3.0.1.</p> <p>Estimated emission of GHG production of the estates (Sg Segama 1 &amp; 2, Bukit Mas and Ladang Kawa) is between 4.72 mtCO<sub>2</sub>e/ha to 10.02 mtCO<sub>2</sub>e/ha or 0.21 tCO<sub>2</sub>e/mt of FFB to 0.44 tCO<sub>2</sub>e/t of FFB.</p> <p>For Bukit Mas palm oil mill (BPOM), the estimation of GHG is 2.35 mtCO<sub>2</sub>e/mt of CSPO/CSPK based on the calculation of carbon sequestration from each estates, POME production and field fuel consumption with POME contributes the highest GHG emission.</p> <p>The GHG emission computed breakdown as 65.66% (SSGOE), 15.16% (Kawa Estate) and BPOM (19.18%). For field emission, land conversion contributed the highest emission of conversion of oil palm cultivation. A better fertilizer application and field fuel consumption will continue to reduce the GHG. At the mill, POME has contributes the highest emission, and a biogas plant is plan to reduce the emission</p>

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	<p>which is anticipated to commission by 2018.</p> <p>Data source for PalmGHG calculation coming from 2 operating units: estates and mill</p> <p>Source for the GHG calculation as below:</p> <ol style="list-style-type: none"> <li>1. Estates – land use change, fertilizer used, fuel used, crop sequestration, peat management and conversion credit.</li> <li>2. Mill – FFB received, CPO production, PK production, POME, EFB, PKS incinerated, fuel used</li> </ol> <p>Data input into the PalmGHG report was cross checked against actual records and is confirmed to be consistent.</p>
<b>Net GHG Emission Figures (tCO<sub>2</sub>e/tCPO)</b>	2.35 mtCO <sub>2</sub> e/mt CSPO

### 1.14. Plan for certification of associated smallholders

Not applicable as there are no FFB from smallholder scheme supplied to Bukit Mas Palm Oil Mill (BPOM).

### 1.15 Approximate Tonnages Certified

The approximate tonnages certified, based on projected production for whole of year 2017 for the company owned certified estates are as follows:

Crude Palm Oil (CPO) : 34,040 tonnes  
 Palm Kernel (PK) : 8,547 tonnes

### 1.16 Maintenance of Certification Status

Sg. Segama Group of Estates under Hap Seng Plantations (River Estates) has established and maintains an effective system to ensure compliance with the RSPO principles and criteria. The audit team has confirmed through the audit process that the company's practices complies with, adequately maintains and implements the requirements of the RSPO Principles and Criteria Malaysian National Interpretation.

PT TUV Rheinland Indonesia confirms that Sg. Segama Group of Estates continues to be approved as a producer of RSPO Certified Sustainable Palm Oil.

### 1.17 Date of Certificate Issued and Scope of Certificate

The scope of the certificate covers production of palm oil from Bukit Mas Palm Oil Mill and its supply base under Sg. Segama Group of Estates, which includes Bukit Mas Estate, Sg. Segama I estate and Sg. Segama II estate. The date of certificate issued is 24 May 2017. Further details of the certificate are as per Appendix 1.



## 2.0 ASSESSMENT PROCESS

### 2.1 Certification Body

PT TUV Rheinland Indonesia is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group was established in 1872 with offices located in over 490 locations in 62 countries on all five continents. PT TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, as well as CDM Validations and Verifications. PT TUV Rheinland Indonesia's office is located in Jakarta, Indonesia.

### 2.2 Qualifications of Lead Assessor and Assessment Team

Name	Position	Qualifications / Experience
Carol Ng	Lead Auditor	<p><b>Education:</b> B.Sc. Biotechnology &amp; B.Sc. Environmental Management - Monash University.</p> <p><b>Trainings attended:</b> RSPO Lead Auditor Course – Wildasia; RSPO Supply Chain Certification Systems training course – David Ogg &amp; Partners; RSPO Malaysian National Interpretation Requirements and Certification – SIRIM; Implementation of RSPO Principles &amp; Criteria - QA Plus; RSPO Stepwise Support Programme - Proforest/WildAsia; OHSAS18001:2007 Auditor/Lead Auditor Training – Neville Clarke; ISO14001 Auditor/ Lead Auditor Training – Neville Clarke; SA8000 5 Day Basic Auditor Course – Global Group; Elaborating on the RSPO P&amp;C Social and Labour Standards and the Mechanics of Social Auditing Workshop – Verité; Certification Body Biodiversity Forum &amp; Workshop – RSPO; 2nd Biodiversity Seminar – RSPO; Environmental Quality Act 1974 – Department of Environment; ISCC System Certification Seminar &amp; ISCC System GHG Training – ISCC.</p> <p><b>Working experience:</b> RSPO Lead Auditor (since March 2015), CDM Auditor (since year 2012), Assistant Manager (since year 2012) and Project Engineer (since year 2009) for TUV Rheinland Malaysia; currently responsible for conducting and coordinating RSPO certification projects; previous experience in year 2009 in implementing sustainable practices in Sime Darby plantations to comply with RSPO requirements, performing RSPO internal audits and implementing sustainability projects. Prepared training materials and conducted several RSPO requirements trainings and workshops to plantation management teams (2008).</p>
Azizan Zakaria	Auditor (OSH & Environment)	<p><b>Education:</b> Master of Engineering (Environmental) - Universiti Putra Malaysia, B. Eng in Chemical Engineering - University of Wales, Swansea</p> <p><b>Trainings attended:</b> ISO9001: Lead Auditor Training/Course, Internal Auditor, IMS Lead Auditor/ Auditor Training in IMS (ISO9001, ISO14001 &amp; OHSAS18001)</p> <p><b>Working experience:</b> 10 years experience in chemical management and polyurethane production and internal auditing for process compliance with integrated Environmental Management System (EMS) and OSH Management System.</p>
Viknesvaran Paramasivan	Auditor	<p><b>Education:</b> B. Eng in Chemical Engineering – Universiti Teknologi Malaysia</p> <p><b>Trainings attended:</b> RSPO Lead Auditor Training in 2010, ISO9001:2008 Lead Auditor Training in 2009, NIOSH Safety &amp; Health Officer (SHO) Course in 2009</p> <p><b>Working experience:</b> Worked in the palm oil industry for more than 10 years in various capacities; RSPO auditor since 2013; First Grade Steam Engineer for Boiler and Unfired Pressure Vessels certified by DOSH since 2007</p>
Rahayu Zulkifli	Trainee Auditor (Social)	<p><b>Education:</b> LLB(Hons), John Moores University, Liverpool, UK (1988), Certificate in Legal Practice (CLP) examination (1992)</p> <p><b>Trainings attended:</b> RSPO-endorsed Lead Auditors course (November</p>

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		<p>2014); RSPO P&amp;C and Supply Chain Standard and System (SIRIM) (February 2016); Social Aspects of the RSPOP&amp;C (SIRIM) (February 2016); ISO14001 Lead Assessor course (Exemplar Globalcertified) (March 2016); Techniques of Auditing (SIRIM) (January 2016); Trained and certified as a mediator by the Malaysian Mediation Centre (2014); Certified as a Translator by the Institut Terjemahan dan Buku Malaysia (2014)</p> <p><b>Working experience:</b> Manager of Dispute Settlement Facility - RSPO, and Managed the RSPO Human Rights Working Group (HRWG) focusing in particular on Social Audits, Land Conflicts, Labour Rights and Human Rights (January 2014 –May 2015); Team Leader – Terengganu Turtle Conservation, WWF Malaysia (September 2003 – October 2013); Manager, Legal and Corporate Secretarial and Company Secretary – Crest Petroleum Berhad (March 2000 – August 2003); Deputy Manager, Legal and Corporate Secretarial and Assistant Company Secretary – Sistem Televisyen Malaysia Berhad (TV3) (June 1995 – March 2000); Legal Assistant – Shamsuddin &amp; Co. Advocates &amp; Solicitors (October 1994 – May 1995).</p>
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### 2.3 Assessment Methodology

The recertification assessment was conducted from 27 to 31 March 2017 as per the assessment program below. The assessment was carried out in accordance with PT TUV Rheinland Indonesia’s RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

Due to the location and proximity of the estates, combined with common management systems, it was possible to carry out both field and document assessments of all estates and the mill within the time frame without compromising the integrity of the assessment in anyway.

All 3 estates and 1 mill were visited and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews were conducted at all estates and the mill.

The company proposed the correction and corrective action for all identified non conformities raised to the certification body 30 days after the closing meeting. Verification of closure of major non-conformances was conducted 2 months after the closing meeting of the main assessment and implementation of corrective actions for minor non-conformities will be verified during the next surveillance audit. The recertification assessment agenda is as explained below.

#### Recertification Audit Agenda:

Date	Location/ Main sites	Main activities
27 Mar 2017 (9am–12pm)	Plantations Central Office (PCO)	<p>Opening Meeting and Introduction attended by auditors and representatives from Sg Segama Group of Estates (SSGOE) as per Audit Plan.</p> <p><b>Interviews:</b> Estate Manager and Assistants, Supervisors, Mechanic, and Clerk.</p> <p><b>Document Review:</b> CSDS, Scheduled Waste Consignment Notes, Environmental Impact Assessment (EIA), Management Action Plans, Organization Chart, Register of Applicable Rules and Regulations, Chemical Stock Inventory. Medical Surveillance Report, OSH Manual, OSH Policy SOP, legal compliance records, minutes of meeting for safety and health committee, HIRARC formats, accident records and statistics, noise monitoring report, CHRA report, training records, permits, Emergency Procedures, workers/ contractor interviews &amp; personnel records, labour and company policies, communication &amp; consultation procedures/ complaints, Social Impact Assessment &amp; Management report</p>
27 Mar 2017 (2pm – 5pm)		Stakeholder Consultation
28 Mar 2017	Bukit Mas Mill	<b>Document review:</b> CSDS/MSDS, Scheduled Waste Consignment Notes,

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(9am – 5pm)		<p>Environmental Impact Assessment (EIA), Management Action Plans, Organization Chart, Register of Applicable Rules and Regulations zero burning activity, emission, pollution and GHG identification program and mitigation, GHG calculation, OSH Manual, OSH Policy, legal compliance records, scheduled waste store, MSDS, medical surveillance report, HIRARC formats, CHRA report, training records and SOP, Budget and projections, SOPs, policies, diesel consumption records, biomass (renewable energy) consumption records, Oil Palm Agricultural Procedure, SOPs, Plantation advisors report, Hazardous waste inventories &amp; manifest, chemical stock inventory, list and usage, CHRA report, CEM report, trade union representatives &amp; records, Contracts, Working hour &amp; overtime records, pay slips, gender committee records,</p> <p><b>On-site visit:</b> Mill, receiving bay, weight bridge area, general mill compound, boilers, scheduled waste store, wastewater treatment chemical store, effluent treatment pond final discharge, workshop</p> <p><b>Interviews:</b> Mill Manager, Assistant Mill Managers, Field Conductors, Supervisors, Store Clerk, Mill process workers (local and Indonesian),</p>
29 Mar 2017 (9am – 5pm)	Sg Segama 1 and Sg Segama 2 Estate	<p><b>Document Review:</b> CSDS, Accident records, Environmental Impact Assessment (EIA), Management Action Plans, Organization Chart, Register of Applicable Rules and Regulations, schedule waste inventories and consignment notes, DOE licenses of schedule waste collectors, HIRARC, Legal Requirements Register, Standard Operating Procedures (SOPs), OSH Manual, OSH Policy, legal compliance records, Oil Palm Agricultural Procedure, SOPs, Plantation advisors report, Hazardous waste inventories &amp; manifest, fertilizer application records, chemical application records, chemical stock inventory, HCV Management Plan, HCV report, pesticide list and usage, agronomist report, CHRA report, CEM report, list of workers, records of contributions for local development, trade union representatives &amp; records, Contracts, Working hour &amp; overtime records, pay slips, gender committee records</p> <p><b>On-site visit:</b> Chemical store, chemical mixing area, scheduled waste store, worker's housing area, clinic, working area for harvesting and sprayers, landfill, workshop, fertilizer store, HCV areas, creche, Humana school, linesite</p> <p><b>Interviews:</b> Estate Manager and assistants, harvesters, Chief Clerk, Estate Mandores, sprayers, general worker, workshop supervisor, SSI and SSII sprayers, maintenance workers and harvesters, Litang village head and representatives</p>
30 Mar 2017 (9am – 5pm)	Bukit Mas Estate	<p><b>Document Review:</b> CSDS, Accident records, Environmental Impact Assessment (EIA), Management Action Plans, Organization Chart, Register of Applicable Rules and Regulations, schedule waste inventories and consignment notes, DOE licenses of schedule waste collectors, HIRARC, Legal Requirements Register, Standard Operating Procedures (SOPs), OSH Manual, OSH Policy, legal compliance records, Oil Palm Agricultural Procedure, SOPs, Plantation advisors report, Hazardous waste inventories &amp; manifest, fertilizer application records, chemical application records, chemical stock inventory, HCV Management Plan, HCV report, pesticide list and usage, agronomist report, CHRA report, CEM report, list of workers, records of contributions for local development, trade union representatives &amp; records, Contracts, Working hour &amp; overtime records, pay slips, gender committee records</p> <p><b>On-site visit:</b> Chemical store, chemical mixing area, scheduled waste store, worker's housing area, clinic, working area for harvesting and sprayers, landfill, workshop, fertilizer store, HCV areas</p> <p><b>Interviews:</b> Estate Manager and assistants, harvesters, Chief Clerk, Estate Mandores, sprayers, general worker, workshop supervisor, estate female clerks, workers at housing area</p>
31 Mar 2017 (9am – 12pm)	Plantation Central Office (PCO)	Closing Meeting and Presentation of Audit Findings

### 2.4 Stakeholder Consultation and Stakeholders Contacted

The stakeholder consultation involved both external and internal stakeholders. External stakeholders were notified to make comments on the certification assessment by placing an invitation to comment on the RSPO website. Stakeholders included those immediately linked with the operation of the company such employees, out-growers, the local government, NGO's, trade and labour unions and local communities.

Stakeholder consultation took place in the form of meetings and interviews. Meetings with stakeholders were held to seek their views on the performance of the company with respect to the sustainability practices outlined in the RSPO Principles & Criteria, and to comment on aspects where improvements could be made. Meetings with local communities were held at their respective premises within and near the company's area. A stakeholder consultation meeting was also held the Plantation Central Office of HSPHB on 27 March 2017. Letters inviting individual stakeholders to the stakeholder consultation meeting were prepared and sent to the individual stakeholders, while electronic mail and telephone calls were made to arrange the meetings.

In all the interviews and meeting, the objectives of the RSPO and the purpose of the assessment was clarified at the outset followed by an evaluation of the relationship between the stakeholders and the company before discussion proceeded to obtain the stakeholders feedback on the company's compliance to different aspects of the RSPO Principles & Criteria. Although several stakeholders were not familiar with RSPO but they agreed with its objective and expressed their willingness to collaborate in the promotion of sustainable palm oil in the area. In all interviews and meeting, the assessment team did not restrict discussion of both the positive and negative aspects of operations conducted by the company's estates and mill.

The stakeholder consultation meeting held with stakeholders during the audit was extensive and productive, with an attendance of 25 participants. This was followed by site inspections, including visits to the local communities, interviews with workers and contractors, and inspections of worker amenities and infrastructure. All stakeholder issues raised were recorded and forwarded to the management for their written reponse, and this is summarized in Section 3.4. The list of stakeholders that attended the stakeholder consultation meeting and stakeholders interviewed during the assessment is included as Appendix 4.

### 2.5 Date of Next Surveillance Visit

The next surveillance visit is planned for March 2018.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Findings

During the recertification assessment, a total of 5 nonconformities were raised, of which 3 were assigned against Major Compliance indicators while 2 nonconformities were assigned against Minor Compliance Indicators. 21 observations or opportunities for improvement were identified. No nonconformities against the RSPO Supply Chain Certification Standard were raised. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in Section 3.2. The observations & opportunities for improvement are listed in Appendix 5.

The following is a summary of findings made for the criteria listed in the RSPO Principles & Criteria Malaysian National Interpretation.

***Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.***

**Findings:**

There are currently no identified environmental, social or legal issues at Bukit Mas Palm Oil Mill or its supplying estates where stakeholders have requested for relevant information for decision making. As such there are no records of requests for information. Where any such information is requested, the company has a procedure for requests for information, procedure no. HSPSB P1 1120(c) last updated on March 2015. The procedure includes a form for requests for information.

**Compliance status:**  Yes  No

NCR No.: -

***Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.***

**Findings:**

The list of documents which is publicly available at the office notice board and last updated on March 2015 are as below:

1. Annual Surveillance Audit Report SSGOE, JGOE and TMGOE
2. 1st, 2nd Annual Surveillance Audit Report SSGOE, JGOE and JGOE
3. Environmental Impact Assessment - Proposed Replanting of 14,524.20ha of Oil Palms for 0 year (2011 – 2020) at Hap Seng Group of Estate by HSPHB
4. Environmental Compliance Report - Proposed Replanting of 14,524.20ha of Oil Palms for 0 year (2011 – 2020) at Hap Seng Group of Estate by HSPHB
5. Gek Poh Leadership Attitudes & Approaches
6. Gek Poh Holdings Corporate Culture
7. Grievance Book
8. HSPHB Annual Report
9. Land Disputes
10. List of Permits & License
11. Land Title / User's Right
12. Public Summary Reports for SSGOE, JGOE and TMGOE
13. RSPO Principle 1 to 8 files
14. Safety and Health Documentation
15. SSGOE, JGOE and TMGOE Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plans
16. SSGOE, JGOE and TMGOE Social Impact Assessment, Management Action Plans and Continuous Improvement Plans
- 17.

**Compliance status:**  Yes  No

NCR No.: -

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SSGOE, JGOE and TMGOE Potential High Conversation Value Area Assessment Report  
 18. SSGOE, JGOE, TMGOE and Mills Water Management Plan  
 19. Procedures for hiring foreign workers

**Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.**

**Findings:**

The company's policy for ethical conduct is contained in the Gek Poh's Corporate Culture Document. The company calls it their "Business sixteen Commandments". One of the points mentioned: Be judicious and honest in money matters; mismanagement promotes corruption. The document is distributed to all personnel at executive level, while for other employees can see it in the notice board in English version only.

However, Gek Poh's Corporate Culture Document or other documents on ethical conduct should be elaborate further on the following:

- A respect for fair conduct of business;
- A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources;
- A proper disclosure of information in accordance with applicable regulations and accepted industry practices.

The policy should also be set within the framework of the UN Convention Against Corruption, in particular Article 12.

Sighted record of briefing of mill workers on 28 February 2017 on the Code of Ethical Business Integrity, including signed attendance list and photos.

**Compliance status:**  Yes  No

NCR No.: -

See observation no. 1 in Section 3.3

**Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.**

**Findings:**

There is evidence of legal compliance as follows. The following permits and licenses were checked and found to be valid:

- MPOB license No. 502429-602000 for Hap Seng Plantations (River Estates) Sdn. Bhd., CL 095317605,7614,6340 Kinabatangan, Sabah (total area 10,321.00 ha) which was valid at the time of this surveillance audit from 01-08-2016 to 31-07-2017
- MPOB license for Bukit Mas Palm Oil Mill, i.e. MPOB 500254304000 which is updated annually and current license was valid at the time of this surveillance audit from 1 April 2016 to 31 March 2017, and the mill has received their new MPOB license for 1 April 2017 to 31 March 2018
- Bukit Mas Palm Oil Mill's Department of Environment (DOE) license no. 003435 valid from 1 July 2016 until 30 June 2017.
- Permit for deductions issued by the Sabah Labour Department and valid from 17 November 2016 to 16 November 2016. Deductions permitted are for travel documents (not including levy, bank guarantee, worker's insurance and and health checks (GROWARISAN), electricity and water bills, medical bills (as borne by workers), payment for transport to hospital (as borne by workers), and replacement work equipment (store). Total deductions cannot exceed 50% of monthly income or 75% if deduc-

**Compliance status:**  Yes  No

**NCR No. RSPO01036:**

1) It was found in the working contracts for all estates the following term, "It is hereby agreed that the employer is not obliged to provide for repatriation of the employee". This clause is not in accordance with the Sabah Labour Ordinance Clause 96 "Every employee who is a party to an agreement or contract under this Ordinance shall have the right to be repatriated at the expense of the employer..." in 6 listed situations including the following which are most applicable to the company's workers, i.e.:

(c) on the termination of the agreement or contract by reason of inability of the employee fulfil

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tions include housing loans

However, the following legal compliances were found and raised as NCR no. RSPO01036.

1) It was found in the working contracts for all estates the following term, "It is hereby agreed that the employer is not obliged to provide for repatriation of the employee". This clause is not in accordance with the Sabah Labour Ordinance Clause 96 "Every employee who is a party to an agreement or contract under this Ordinance shall have the right to be repatriated at the expense of the employer..." in 6 listed situations including the following which are most applicable to the company's workers, i.e.:

(c) on the termination of the agreement or contract by reason of inability of the employee fulfil the agreement or contract owing to sickness or accident;

(d) on the termination of the agreement or contract by notice or otherwise.

(f) on the termination of the agreement or contract by agreement between the parties;

There was also no evidence that costs of repatriation of workers who stopped working according with the requirements above were borne by the company.

2) Used and contaminated cotton rags as well as chemical containers are stored in 2 trailer bins outside the Scheduled Waste store. The trailer bins are not completely covered and also filled with oil residue. This is in contravention of Regulation 9 (1), (3) and (4) of the Scheduled Waste Regulations 2005.

The company continues to maintain a documented Applicable Laws and Legislation For Tomanggong Group of Estate (TMGOE), Jeroco Group of Estate (JGOE) and Sungai Segama Group of Estate (SSGOE) which was last reviewed on February 2017. This list details the evaluation of compliance with the relevant legal requirements. During the previous surveillance, it was found that the document did not include all updates to several applicable legal requirements, and this was raised as a minor NCR. During this audit, it was confirmed that review has been done to list of applicable regulations as below:

- EQ (Clean Air) Regulations 2014 have been included in the latest LRR dated 8 Mar 2017
- EQ (Sewage & Industrial Effluent) Regulation 2009, Sewage Regulations 2009, Transfer of Solid Waste Regulations 2009) has been updated accordingly dated 10 June 2016
- OSH Act 1994 is listed with missing Section 18, 20, 27 been added in the registrar list dated 8 Mar 2017
- OSH (CPL) Regulations 1997 has been removed from the list and been replaced with OSH (CLASS) Regulations 2013 dated 10 June 2016
- OSH (Safety & Health Officer) regulations 1997 has been removed from the registrar list which been reviewed on 8 Mar 2017
- The chapter of the legal register been updated accordingly until Chapter 35 – Other Related Requirements which been reviewed on 8 Mar 2017
- Uniform Buildings By-law 1984 is now been listed in the list of register dated 10 June 2016

Personnel & Administration (P&A) will update and keep informed if

the agreement or contract owing to sickness or accident;  
(d) on the termination of the agreement or contract by notice or otherwise.  
(f) on the termination of the agreement or contract by agreement between the parties;

There was also no evidence that costs of repatriation of workers who stopped working according with the requirements above were borne by the company.

2) Used and contaminated cotton rags as well as chemical containers are stored in 2 trailer bins outside the Scheduled Waste store. The trailer bins are not completely covered and also filled with oil residue. This is in contravention of Regulation 9 (1), (3) and (4) of the Scheduled Waste Regulations 2005.

**See also observation no. 2 and 3 in Section 3.3**

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there is any change or amendment in the Law or Regulation. The changes may come via news release, Lawnet, law journal, law publisher and circular from relevant associations' i.e. MPOA, MPOB etc. The latest update will be cascade to each individual section such as plantation advisor, HQ, SHE & Agronomy Department and Individual Estate Managers. The planting advisor will follow up if there is any changes in the regulations by evaluating the effect and assess it with current practices and make any suggestion if any.

**Observations:**

1. No SDS of Ally and Glyphosate available with the mandore at Bukit Mas Estate field site while spraying is in progress as sighted at Block 94D6.
2. Written notification dated 29 June 2016 (Ref:ASSH(B)31/152/000/082 Jld 7 (35)) regarding de-sludging activity have been received from DOE to allowed the activity of de-sludging in accordance to Section 18(1), of the Environmental Quality Act 1974. DOE has requested the mill to send the pictorial report about the activity of de-sludging after work completed in 2 weeks. This will be follow up during next surveillance audit.

**Criterion 2.2: The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.**

**Findings:**

There is no changes on company's right to use land and land ownership of the company can be demonstrated through details of information regarding land title areas, i.e.:

- Title no. CL 095317614 for area of 5,044 ha in Bukit Mas estate and Sg Segama II estate (for period of January 1, 1991 to December 21, 2089) held by the East Asiatic Co. (M) Bhd. Land title term states that the land shall be used only for the purpose of cultivation of an agricultural crop of economic value.
- Title no. CL 095317605 for area of 3,843 ha in Sg Segama I & II (for period of January 1, 1991 to December 21, 2089) held by The River Estate Sdn. Bhd. Land title term states that the land shall be used only for the purpose of cultivation of an agricultural crop of economic value.
- Title no. CL 095316340 for area of 1,434 ha (of which 1,020 ha is for Bukit Mas estate while 414 ha are under Lintang estate - Tomanggong Group of Estates (GOE)) in Bukit Mas estate (period of June 16, 1988 to 15 July December 2887) held by The River Estate Sdn. Bhd. No special terms stated

Boundary stone monitoring was last done on 16 August 2011 in Bukit Mas estate, on 2 November 2010 in Sungai Segama I and II estates. During the field visit to the cemetery in Block S93A6 of Sungai Segama II estate, it was observed that there was no boundary peg or stone to demarcate the boundary of the edge of the cemetery with the neighbouring local villagers land that is in the process of being cleared for the planting of oil palm. This was raised as a minor non-conformity.

It would be better if GPS coordinates are taken and recorded for the physical markers for the estate boundaries especially for the markers listed in the land title. This was raised as an observation.

**Compliance status:**  Yes  No

**NCR No. RSPO01037:**

Monitoring of physical markers along the legal boundaries of SSGOE estates has not been done since 2011.

During the field visit to the cemetery in Block S93A6 of Sungai Segama II estate, it was observed that there was no boundary peg or stone to demarcate the boundary of the edge of the cemetery with the neighbouring local villagers land that is in the process of being cleared for the planting of oil palm.

**See also observation no. 4 and 5 in Section 3.3**



There are currently no identified ongoing land disputes between the company and any other land users, hence there are no maps showing the extent of recognised legal, customary or user rights. However, during the previous surveillance audit, there was identified one isolated land dispute case between the company and an individual since year 2013 between a Village Development and Safety Committee (JKKK) representative from Kg. Lintang and Hap Seng, i.e. Mr. Hamsah over claimed ownership of 3.225ha of land within SSGOE area. The land claimant was in possession of the land title of the claimed area which was under his mother's name and included a map. It was informed by the land claimant that he had raised the issue to the management of the company but this issue was not known to the SSGOE sustainability team and due to this, no action was taken by the team to follow up. This was raised as Minor NCR no. RSP00196 in year 2016.

During this recertification audit, The company has evidence of invitation letter send to Mr. Hamsah (JKKK representative of Litang Village) for meeting on 21 April 2016 to discuss the issue which is regarding overlap of land area owned by him and the company at Block 96B5. Attendance lists, photos and meeting minutes of the discussion was also provided. The meeting minutes stated that an agreement letter was made between the land claimant and the company, confirming that the land boundary of the claimed area is consistent with the land title of the claimant and titles owned by the company (there is no overlap), and the existing drains will be used as boundaries to identify the area between Mr. Hamsah's land and Bukit Mas estate block 96B5. There was agreed to be no trespassing or intrusion of either party's land, and the discussion ended amicably. The agreement letter was signed by Mr. Hamsah and the company's General Manager and Chief Agronomist.

The audit team met with Mr. Hamsah on 29 March 2017 and confirmed that he had met with the company and signed the agreement freely and without any form of coercion. However he did not receive a copy of the agreement. This was noted as an observation.

As it was confirmed that the land area of the claimant and the company's area was not overlapping, and the claimant and company both have maps of their respective land as per their land titles, no participatory mapping of the disputed area is necessary.

**Criterion 2.3: Use of land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.**

**Findings:**

There are no identified areas with recognized legal, customary or user rights of other external parties with HSPHB's SSGOE's area. There are currently no identified ongoing land disputes between the company and any other land users, hence there are no maps showing the extent of recognised legal, customary or user rights. However, during the previous surveillance audit, there was identified one isolated land dispute case between the company and an individual since year 2013 between a JKKK representative from Kg. Lintang and Hap Seng, i.e. Mr. Hamsah over claimed ownership of 3.225ha of land within SSGOE area. The issue was resolved through free, prior and informed consent without coercion of the claimant, as described under CR2.2 above. The agreement of resolution of the issue

**Compliance status:**  Yes  No

NCR No.: -

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was made in Malay, the local language of the claimant. As the issue was resolved amicably between the company and claimant, there was not need for other institutions, representatives or legal counsel to resolve the land issue.

**Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.**

**Findings:**

Bukit Mas mill and all the three estates have an annual budget for FY2017 and projections until FY2021. The budget and projections contain details of FFB produced, yield per hectare, OER, KER and total production costs, area statement, turnover including revenue, expenditure, cost of production, total overhead and capital expenditure.

The company's replanting program is the same as stated in the previous surveillance audit report. Details of information about new replanting program are as explained below:

- Year 2017 for total area of 934.5 ha in Sg Segama I estate (block S92A: 201 ha, block S92B: 202 ha, block S92C: 274 ha, and block S92D: 257.50 ha).
- Year 2018 for total area of 960 ha in Sg Segama I estate (block S92E: 264.5 ha, block S92F: 226.5 ha, block S92G: 120.5 ha, block S92H: 348.5 ha).
- Year 2019 for total area of 796 ha in Bukit Mas estate (block B93A: 21 ha), Sg Segama I (block S93A: 72 ha) and Sg Segama II (block S93A: 275 ha, block S93B: 225 ha and block S93C: 203 ha).
- Year 2020 for total area of 884.5 ha in Sg Segama II estate (block S94A: 316.5 ha, block S94B: 320.2 ha, block S94C: 247.8 ha)

**Compliance status:**  Yes  No

NCR No.: -

**Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.**

**Findings:**

Bukit Mas, Sungai Segama I and Sungai Segama II estates are guided by the Hap Seng Plantations Holding Oil Palm Agricultural Policy (OPAP) that covers all aspects of oil palm planting and management. The OPAP contains the following SOPs that cover all estate operations such as Nursery Practice, Land Clearing, Preparation and Planting, Soil Conservation and Terracing, Road Construction and Maintenance, Establishment and Maintenance of Legume Covers, Planting Density and Planting Technique, Palm Replacement During Immaturity and Supplying, Upkeep of Immature Oil Palms, Upkeep of Mature Oil Palms, Pests & Diseases, Manuring, EFB Application, Harvesting, Bunch Census and Palm Thinning.

Bukit Mas Palm Oil Mill has SOPs covering all mill operations such as FFB Grading, Sterilization Station, Press Station, Threshing Station, Oil Room, Kernel Plant, Laboratory, CPO & PK Despatch, Engine Room, Boiler Room, Electrical, Workshop as well as Raw and Boiler Water Treatment Plant.

In order to ensure consistent implementation of the SOPs among all levels of the workforce in the field, the following mechanisms are uti-

**Compliance status:**  Yes  No

NCR No.: -

lized:

- 1) Regular trainings with regards to the different aspects of the SOPs are conducted
- 2) Agronomist report for the estates is produced on an annual basis provide results of findings and recommendations related to the implementation of best practices in the estate, especially with regards to fertilizer recommendations.
- 3) Annual visit by the Plantation Advisor to the estates to ensure that the management and operations of the estates adheres to SOPs and best practices. The visit by the Plantation Advisor also serves as an internal assessment of the estate against their own established SOPs and best practices.

Regular trainings regarding the mill operations SOP for the mill workers and regular visits by the Head of Mills to ensure that mill operations are adhering to SOPs and best milling practices are the main steps taken to ensure consistent implementation of the SOPs among all level of mill workforce.

The implementation of SOPs are monitored on a daily basis by the field conductors and assistant managers with oversight by the estate manager. The monitoring is done through:

- 1) Field visit to various blocks in the divisions especially where activities such as harvesting, pruning, manuring, spraying, slashing, frond stacking and road maintenance are taking place.
- 2) Completion and maintenance of monitoring records such as the Daily Inspection Report as part of the Yield Improvement programme, summary of machinery running hours as well as harvesting records detailing the number of bunches harvested and quantity of loose fruit collected by each harvester, to name a few.

At Bukit Mas Mill, there was evidence of monitoring consistent implementation of procedures through internal audit and Daily Shift Report Book. There was a flow chart showing method for monitoring compliance of requirements including legal requirements. Internal audit is conducted every 3 months. At Bukit Mas Estate, inspection and compliance for Occupational Safety & Health Act (OSHA) 1994, Factories and Machineries Act (FMA) 1967 and Sustainability Certification Checklist was established as evidence of records of the internal audit.

It has been verified that there are no 3<sup>rd</sup> party FFB received by Bukit Mas Mill, hence it only records the origins of FFB originating from its own group of estates.

**Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

**Findings:**

Practices that maintain or enhance soil fertility to ensure sustained yield are contained in OPAP 3 – Soil Conservation and Terracing, OPAP 11 – Manuring and OPAP 12 – EFB Application.

Actual fertilizer applications are recorded monthly and compared against fertilizer recommendations in the monthly estate manager's report with summary of reconciliation of fertilizer application schedule in the Agronomic Advisory Report. Fertilizer application schedule and

**Compliance status:**  Yes  No

NCR No.: -

records for each field is available and maintained at the respective estate offices. Sampled records for year 2016 up to February 2017 showed that fertilizer application is done according to the Agronomic Advisory Report.

Foliar sampling is conducted on an annual basis and its results and corresponding fertilizer recommendations are contained in the Agronomist Advisory Report. The leaf nutrient assessment to determine the levels of nitrogen, phosphorus, potassium, calcium, magnesium and boron in the palms was conducted. The results of this assessment provided the input for fertilizer recommendations for 2016 which is now being followed by the estates. Soil analysis is also conducted on an annual basis by an external lab with soil samples taken from each estate field. Soil parameters tested include Base Saturation, pH and exchangeable cations (meg/100 g) among others.

The most recent agronomist visit was done in February 2017 for Bukit Mas estate. The Agronomic Advisory Report and Fertilizer Recommendation FY2017 – Bukit Mas estate prepared by the Chief Agronomist was sighted. The agronomist visit for Sungai Segama I and II estates were conducted but the report is still being prepared. The Agronomic Advisory Report for both estates for 2016 were sighted. The agronomic report contain details of the field visit, review of areas of concern, rainfall and yield data, recommendations regarding fertilizer input, pest and diseases and excess or deficiency in palm nutrition.

All three estates have been applying EFB in the fields as per their nutrient recycling programme. The quantity of EFB applied is listed in the table below:

Year	Estate	Tonnage (MT)
2016	Bukit Mas	18705.30
	Sungai Segama I	-
	Sungai Segama II	20771.04
2017 (as at 27 March)	Bukit Mas	748.93
	Sungai Segama I	121.06
	Sungai Segama II	4524.85

As part of the nutrient recycling strategy, Bukit Mas Palm Oil Mill no longer carries out discharge of POME. Rather the effluent is dewatered and converted into press cakes for application to the field. EFB application at estate as mulching is recorded every month. Latest EFB was 4,880 mt (Dec 2015), 4,760 mt (Nov 2015) and 2,700 mt (Oct 2015) which later distributed to 3 estates; Sg Segama 1, Sg Segama 2 and Bukit Mas.

More details regarding this is stated under Criteria 4.4 below.

**Criterion 4.3: Practices minimise and control erosion and degradation of soils.**

**Findings:**

Bukit Mas, Sungai Segama I and Sungai Segama II estates have soil maps detailing their soil profile.

The types of soil found in Division A and B of Bukit Mas estate and the percentage of area it covers are as follows:

- Kinabatangan – 1.90%
- Lungmanis – 40.16%

**Compliance status:**  Yes  No

NCR No.: -

See observation no. 6 in Section 3.3

Kretam – 57.94%

The types of soil found in Division C and D of Bukit Mas estate and the percentage of area it covers are as follows:

Gumpal – 6.52%

Kinabatangan – 23.11%

Kretam – 52.41%

Lungmanis – 17.00%

Rumidi – 0.95%

The types of soil found in Sungai Segama I estate and the percentage of area it covers are as follows:

Bidu-Bidu – 1.95%

Kinabatangan – 6.56%

Kretam – 87.92%

Lungmanis – 3.56%

The types of soil found in Sungai Segama II estate and the percentage of area it covers are as follows:

Bidu-Bidu – 9.05%

Kinabatangan – 31.73%

Kretam – 55.75%

Lungmanis – 0.35%

Sapi – 3.13%

Only mineral soil is found in all the estates. There are no areas with peat soil in the entire estate.

Bukit Mas estate has a slope map with the scale of 1:77000 with the following slope profile:

0-5 degrees – 4290.52 ha

6-10 degrees – 364.93 ha

11-15 degrees – 62.64 ha

16-25 degrees – 9.94 ha

>25 degrees – 4.97 ha

Sungai Segama I estate has a slope map with the scale of 1:40000 with the following slope profile:

0-5 degrees – 2354.86 ha

6-10 degrees – 221.97 ha

11-15 degrees – 17.15 ha

16-25 degrees – 2.02 ha

>25 degrees – None

Sungai Segama II estate has a slope map with the scale of 1:44000 with the following slope profile:

0-5 degrees – 2235.15 ha

6-10 degrees – 231.91 ha

11-15 degrees – 53.98 ha

16-25 degrees – 31.98 ha  
 >25 degrees – 24.98 ha

From the slope profiles and verification in the field, it can be confirmed that the most of the area in the estate is flat to undulating with a small area with steep slopes. All areas with slopes including the replanting areas are terraced and planted with cover crops to prevent soil erosion as per OPAP 3 Soil Conservation and Terracing.

All estates have a road maintenance programme that is rigorously adhered to. The road maintenance programme covers the distribution of gravel stones, grading and compacting and levelling of estate roads, construction and maintenance of bridges as well as construction of silt pits especially near slopes to allow for water run-off into the pits and prevent erosion of access roads.

**Criterion 4.4: Practices maintain the quality and availability of surface and ground water.**

**Findings:**

The Water Management Plan for Sungai Segama Group of Estates and Bukit Mas Palm Oil Mill was prepared on 21 March 2013 and was last reviewed on 1 March 2017. The plan describes the sources of water used for processing and domestic uses and their management. The primary water source is the pond located next to the mill. Monitoring of water consumption is carried out, as well as monitoring of mill POME effluent quality as well as water quality index in accordance with local requirements. The plan also describes the soil moisture conservation programme through EFB mulching, terracing and other methods. The monitoring of water consumption efficiency is also stated in this plan.

The rainfall data and trend has also been recorded in the Water Management Plan. The total rainfall for 2016 was 2385mm from 149 days of rainfall.

Riparian reserves have been established for rivers and streams passing through the estates. This include Sg. Mikok, Sg. Maarang Arang, Sg. Lintang Besar, Sg. Lintang Kecil, Sg. Tigbos and Sg. Segama. A buffer zone of 10 meters (1 to 2 palm trees) have been established on both sides of the waterway and this is demarcated by red paint on the palms beside the waterways. Signboards have also been put up to indicate the buffer zones and clearly states that no intrusion, spraying, manuring, fishing, garbage disposal, farming and open burning is allowed in these buffer zones. During the field visit, the buffer zones appear to be intact and there were no evidence of human activity including spraying and manuring within it.

Bukit Mas Palm Oil Mill treats its effluent generated through the open ponding system. This has been approved by the DOE and stipulated in the DOE licence under the Prescribed Premises (Crude Palm Oil) Regulations 1977. The mill should not process more than 45MT/hr and the effluent discharge maximum limits for the various parameters are set as follows:

- BOD Levels – 100mg/l
- Suspended Solids – 400mg/l
- Oil and grease – 50mg/l

**Compliance status:**  Yes  No

NCR No.: -

- Ammoniacal Nitrogen – 150mg/l
- Total Nitrogen – 200mg/l
- pH – between 5.0 and 9.0
- Temperature - <45 degree Celcius

The mill sends its raw effluent for testing on a monthly basis and the results for 2016 and 2017 have been within the permitted limits. The quantity of effluent generated is recorded on a daily basis through a flowmeter at the final discharge point and recorded in the Raw Effluent Flowmeter Reading 2016-2017.

The mill is no longer carrying out discharge of POME but developing effluent into press cakes for application to the field. This is part of the company's efforts to reduce waste from the processing activities and nutrient recycling strategy, a belt press has been used to carry out the EFB application as fertilizer to the field. A written approval (Keputusan Bertulis) have been granted by Department of Environment of Sabah dated 15 October 2015 (Ref: ASSH(B) 31/152/000/082 Jld 7 (19)) under the Environmental Quality (Prescribed Premises)(Crude Palm Oil) 1977 to Bukit Mas Palm Oil Mill. The certificate SPE-30/2015 is valid for installation and operation of the belt press desludging system with other requirements are still the same such as final discharge effluent, buffer zone, good house-keeping rules and a proper scheduled waste management system.

The mill monitors the water consumption per MT FFB and CPO on a monthly basis. The details are listed in the table below:

Month	Water Consumption/ FFB Processed	Water Consumption/ CPO Produced
January 2016	2.55	11.99
February 2016	2.49	11.62
March 2016	2.41	11.22
April 2016	1.69	7.95
May 2016	1.14	5.69
June 2016	1.47	7.50
July 2016	1.55	7.56
August 2016	1.64	7.90
September 2016	1.55	7.48
October 2016	1.39	7.05
November 2016	1.37	9.14
December 2016	1.77	9.58
January 2017	2.11	11.24
February 2017	1.74	8.94

**Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.**

**Findings:**

All SSGOE estates adhere to the SOP on Pests and Diseases Management (OPAP 10) with regards to Integrated Pests Management

**Compliance status:**  Yes  No

NCR No.: -

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(IPM). This SOP describes the different types of pests in an oil palm plantation such as rats, rhinoceros beetles, bagworms and nettle caterpillars. The types of diseases such as ganoderma and leaf rot, to name a few, and its effect on the palms are also detailed. This SOP also details the methods of conducting pest census, rate of chemical treatment, control measures and critical hazard levels for pests and diseases. It is clearly stated in the SOP that prophylactic spraying of pesticides is not recommended.

The company has issued a memorandum dated 30 June 2015 regarding revision of OPAP no. 10 Section 2.2.2 on Pests & Diseases. The revision states that rat baiting shall be carried out in mature fields when the incidence of fresh damage in an area exceeds 1 palm in 50 (2%).

The respective estate managers send their Pests & Diseases Report – Early Warning System Monthly Report which includes the Oil Palm Pest Detection Summary to the Chief Agronomist. Detailed census is being carried out for the following:

- 1) Caterpillar/Bagworms
- 2) Rhinoceros Beetles
- 3) Rat Census
- 4) Rat Baiting
- 5) Bunch Moth
- 6) Ganoderma
- 7) Darna Trima (Nettle Caterpillar)

The pest causing the most problem is rats. The Rat Infestation Report for each Division contains census data such as fresh rat attack and the application records for 1<sup>st</sup> and 2<sup>nd</sup> generation baiting, date and area of baiting is detailed as well. At this point in time, the rat baiting using rodenticides is done according to a fixed programme, regardless of census results, as it was found that the extent of damage to the FFB is much more severe than the census results suggests. Although the rat baiting is currently done according to a fixed programme, the census data should still be accurately recorded. It was observed that the census data for Blocks S95C5 and S95C7 for January to March 2017 appears to have been copied and pasted as it is exactly identical. This is raised as an observation.

For the immature areas, pheromone traps have been installed and have been effective in reducing attacks from Rhinoceros beetles. Monitoring of Pheromone Traps and total Rhinoceros beetles is done per block on a monthly basis.

The table below lists the number of Rhinoceros beetles trapped in the pheromone traps.

Month	Total Rhinoceros Beetles	Rhinoceros Beetles/Ha
April 2016	64	0.90
May 2016	419	3.81
June 2016	288	1.48
July 2016	443	1.99
Aug 2016	609	1.58
Sept 2016	663	1.72
Oct 2016	546	1.42
Nov 2016	454	1.18
Dec 2016	7685	19.96

See observation no. 7 in Section 3.3



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Jan 2017	17273	44.86	
Feb 2017	13149	34.85	

Beneficial Plant Planting Establishment map available showing existing beneficial plant and proposed areas and number of chains to be planted.

Some of the trainings conducted for IPM are as follows:

- 1) Training on Rat Census at Sungai Segama I estate on 5/9/2016
- 2) Training on Rat Census at Sungai Segama II estate on 5/4/2016
- 3) Training on Rat Census and Baiting at Bukit Mas estate on 12/8/2016
- 4) Training on Standardization of Rat Baiting Census, Baiting, Recording and Documentation on 19/4/2016 conducted by one of the agronomist and attended by 58 personnel.
- 5) Training on Standardization of Rat Baiting Census, Baiting, Recording and Documentation on 14/3/2017 conducted by one of the agronomist and attended by 67 personnel.
- 6) Trunk Injection Training and Demonstration at Sungai Segama I estate on 22/2/2017 and attended by 6 personnel
- 7) Trunk Injection Training and Demonstration at Sungai Segama II estate on 23/2/2017 and attended by 8 personnel
- 8) Trunk Injection Training and Demonstration at Bukit Mas estate on 7/3/2017 and attended by 26 personnel

**Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.**

**Findings:**

All estates and mill have the register of chemicals hazardous to health, which includes pesticides and herbicides, and its justification for use is available for all chemicals detailing product name, physical form of chemical, control measures, usage, and name of active ingredient. For conducting spraying activity and chemical mixing, required dosage for chemical usage is as per recommendation in the HSPHB Oil Palm Agricultural Policy (OPAP) 8 & 9. (revised Jan 2016).

In its chemical register dated 31 January 2017, some of the chemicals found in the mill are Polymer NN17, Poly Aluminium Chloride, 2 Propenamide Homopolimer, Chlorine, Sulphuric Acid, Hexane, IPA, EDTA, Silver Nitrate, Sodium Hydroxide, Barium Chloride, Phenolphthalein, Sulphuric Acid, Ammonia Buffer Solution, Acetic Acid, Potassium Iodate, Iso Actane, Pallintest, Total Hardness Indicator Tablet, Iodin Indicator, Methyl Orange, Silica reagent, pH buffer solutions, potassium chromate calcium carbonate, diesel, lubricants, greases, Polyalic Liquid and Phosphoric Acid. Some of the chemicals, pesticides, herbicides and fertilizer used in the three estates as listed in the chemical register dated 20 February 2017 are Enforce Methamidophos, Wetsorb, Glyphosate, Metsulfuron Methyl, Dimethylamine, Matikus Brodifacoum, Ebor Bait, Orate 48%, Natural Kieserite, MOP, Potassium Chloride and Rock Phosphate.

The records of incoming and outgoing chemicals are recorded by the store assistant or store attendant in the bin card. The record of application in the field is being kept at the respective estate division

**Compliance status:**  Yes  No

NCR No.: -

See observation no. 8 and 9 in Section 3.3

offices. Paraquat and other chemicals belonging to Classes 1A and 1B are not used in any of the estates. There is also no prophylactic application and aerial spraying based on the content of chemicals in the store, records of usage and observations during the field visit in the estates.

Area treated and number of applications for herbicides are stated in the Herbicides Application Record for each estate detailing the blocks treated, quantity applied and date of application, while area treated and number of applications for rat baits is stated in the report for CR4.5 as flows: "The Rat Infestation Report for each Division contains census data such as fresh rat attack and the application records for 1<sup>st</sup> and 2<sup>nd</sup> generation baiting, date and area of baiting is detailed as well."

The active ingredients (a.i.) and its percentages in all the pesticides and herbicides have been identified and recorded. For example the a.i. for Ally 20DF is Methyl Metsulfuron and it makes up 200g/lit of Dewana while warfarin is the active a.i. for Matikus and makes up 0.03 g/lit of Matikus. The application of a.i per hectare is also being recorded by the estates. The amount of active ingredient per ha applied for 2016 for BME, SS1 and SS2 is 13.24 kg/ha for herbicides and 0.0007 kg/ha for solid pesticides/rat baits. LD50 for all 8 herbicides and 3 solid pesticides, all 3 of which are rat baits, are also provided. Example: LD50 for Ally 200F Herbicide is >5000mg/kg rat

Regular trainings on chemical and pesticide handling are being carried out in all three estates. These trainings touch on the correct methods for spraying of the chemicals and the safety precautions needed to be taken to prevent injury or poisoning to the sprayers.

The chemical stores visited contained emergency showers and eye wash. A special place for premixing as well as washing the chemical containers was observed. First aid boxes and fire extinguishers were available at the stores. Bathrooms with shower to be utilized by the sprayers for bath and washing of PPE that came into contact with chemicals is located within the chemical stores. The equipment and PPEs used during spraying are also neatly arranged in the stores. Although the MSDS/CSDS for some chemicals are still below 5 years, it would be better for the mill and estates to obtain the latest SDS that is in accordance to the Classification, Labelling and Safety Data Sheet of Hazardous Chemicals (CLASS) 2013 regulations that is yet to be made available by the suppliers. This is raised as an observation. Bukit Mas mill should also place the SDS for Hexane and IPA in the store (other than the lab) as these chemicals are stored in the mill store and the storekeepers need to be aware of the precautions to be taken in handling these chemicals. This is raised as an observation.

Used chemical containers were disposed-off in accordance with the provisions stipulated in the Scheduled Wastes Regulations 2005. Details of this can be found under Criteria 5.3 below. There were no evidence of indiscriminate dumping of used chemical containers in the estates.

The CHRA for the mill was last done on 23 May 2014 (Report ref No CK/MO409 – 734/14) by Chemsain Konsultant Sdn. Bhd and it is valid for five years since that date. The assessor was Henry Chong Lee Wei (Registration No JKPP HIE 127/171 – 2 (71)).

The recommendations made in the CHRA report are as follows:-

- A) For water treatment plant and boiler:-
- 1) To ensure retraining is done once in two years under regulation 22(3) of Use and Standards of Exposure of Chemicals Hazardous to Health (USECHH) 2000
- B) For laboratory:-
- 1) To conduct chemical monitoring for hexane (CL: 1760mg/m<sup>3</sup>) and IPA (PEL: 983mg/m<sup>3</sup> – TWA 8) exposure by registered Industrial Hygiene Technician twice a year under regulation 26(3) USECHH 2000
  - 2) To ensure retraining is done once in two years under regulation 22(3) USECHH
- C) For workshop technicians:-
- 1) Conduct chemical monitoring for welding fume (PEL: 5mg/m<sup>3</sup> – TWA8) exposure by registered Industrial Hygiene Technician twice a year under regulation 26(3) USECHH 2000
  - 2) To ensure retraining is done once in two years under regulation 22(3) USECHH

Chemical Exposure Monitoring for the mill was done twice in 2016. The first one was done on 17 October 2016 by Cyril Jinusie (JKKP HIE 127/171-3/1 (151)) of Chemsain Konsultant Sdn Bhd (Report Reference No CK/OSH409/165(f)/16). The second monitoring was done on 10 November 2016 by Cyril Jinusie (JKKP HIE 127/171-3/1 (151)) of Chemsain Konsultant Sdn Bhd (Report Reference No CK/OSH409/173(c)/16). In both cases, the reports conclude that the level of exposure for all workers that were monitored were within the Permissible Exposure Limits (PEL).

Medical surveillance for 30 mill workers from the laboratory, boiler, store, water treatment and kernel plant was conducted on 29 July 2016 by Dr. Sim Yong Sang (JKKP NO HQ/11/doc/00/223) of Chong Clinic. All workers were certified to be fit for work. The next medical surveillance is scheduled to be conducted in July 2017.

CHRA for the estates were last done on 8 – 11 December 2015 by 15 by Imelda Marazing (JKKP HIE 127/171-2(177)) of Chemsain Konsultant Sdn. Bhd and it is valid for five years since that date. There were 3 separate report issued for each estate, namely Report No CK/OSH/409/077(iii)/15 for Bukit Mas estate, Report No CK/OSH409/077(i)/15 for Sungai Segama I estate and Report No CK/OSH409/077(ii)/15 for Sungai Segama II estate. Among the main recommendations made in the CHRA report are as follows:

- 1) SDS and chemical register must be maintained.
- 2) There has to be Safe Operating Procedures and Safe Work Systems
- 3) Chemical Exposure Monitoring for sprayers and premix workers for exposure to Dimethylamine must be carried out once a year
- 4) Annual medical surveillance must be carried out for workers handling and/or exposed to chemicals and pesticides.

Chemical Exposure Monitoring for Bukit Mas estate was conducted on 10 November 2016 by Cyril Jinusie, Industrial Hygiene Technician (JKKP HIE 127/171-3/1 (151)) of Chemsain Consultant Sdn. Bhd. For both Sungai Segama I and II estates, the Chemical Exposure Monitoring was conducted on 17 October 2016 by Cyril Ji-

nusie, Industrial Hygiene Technician (JKKP HIE 127/171-3/1 (151)) of Chemsain Consultant Sdn. Bhd. The reports confirmed that the level of exposure for workers monitored was within the stipulated PELs.

Medical surveillance for sprayers, manurers, mandores taking care of the sprayers and manurers as well as store personnel from all three estates were done on 9 December 2016 in accordance and fulfilment to USECHH 2000 regulation. The medical surveillance was conducted by the Occupational Health Doctor, Dr. Sim Yong Sing (JKKP Registration Number HQ/11/doc/00/223) in Tawau. There were 50 workers who underwent the medical surveillance.

Interviews with female estate workers as well as attendance records sighted confirms that no pregnant or breastfeeding female worker is allowed to work as sprayers, manurers or to handle chemicals.

**Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.**

**Findings:**

A Safety & Health Policy is sighted signed by Chief Executive and available at appropriate place dated 1 Apr 2015.

The objective of the policy is the commitment to comply with all rules and regulations under Factory and machinery Act 1967, practicing the safety code related to the safety and health, documented all SOP, standards, safe work at the operation area, working tools in good condition, sufficient training and etc.

HIRARC been reviewed dated 9 Feb 2017 for Bukit Mas Estate and 8 Feb 2017 for Sg Segama Estate 1 & 2. Activities such as chemical spraying, EFB application, harvesting, manuring, rat baiting, maintenance workshop, road maintenance, welding, office activities and housing area have been assessed. Some other activities such as fertilizer store, landfill, compressor, scheduled waste, loose fruits, diesel tank and grass cutting also been included.

The HIRARC methodology is based on NIOSH training program dated 28 - 31 Mar 2011 with OSH consultant and Hap Seng Plantations employees itself. Also HIRARC is based on workplace assessment on the actual view of the activities. The activities been tabulated in the HIRARC form which includes hazard identification, risk analysis, and risk control with relevance to the legal requirement where necessary.

Monthly checking also has been conducted at the housing area under "Housing Inspection Declaration" with latest check sighted in 8 Mar 2017 by the Estate Manager to the housing area; staff quarters and workers quarter. Repair work been done for toilet, floor mosaic and wall.

At Bukit Mas palm oil mill, HIRARC been reviewed on 7 Jan 2017. Activities such as vehicle workshop, waste water treatment plant, kernel plant, threshing plant, clarification, press station, sterilizer, boiler, laboratory and workshop. Some activities such as scheduled waste, compressor, diesel tank has later been included.

Meanwhile s safety and health committee meeting been conducted regularly on quarterly basis at Bukit Mas palm oil mill. It was sighted that the meeting was done dated 17 Mar 2016, 26 July 2016, 9 Nov 2016 and 24 Dec 2016. The latest meeting was conducted on 18 Mar 2017. The issues discussed were related to safety and health,

**Compliance status:**  Yes  No

NCR No.: -

See observation no. 10 in Section 3.3

environment, emergency preparedness, training and other related matters.

A safety committee meeting is available at the mill with latest organization chart 2017 is made available. Number of employer representative is 11 and for workers representative is 9 persons. The committee has a chairman, vice chairman and a secretary. New Chairman been appointed with new mill manager, Mr Rudianto Muhammad dated 18 Nov 2016 been posting and replacing previous mill manager.

At Bukit Mas estate, a safety & health committee were conducted regularly on quarterly basis as sighted on 21 Mar 2016, 20 June 2016, 26 Sep 2016 and 14 Dec 2016 with the latest meeting was held on 11 Mar 2017. A safety committee meeting is available at the mill with latest organization chart 2017 is made available dated 6 Feb 2017. Number of employer rep is 11 and for workers rep is 11 persons. The committee has a chairman, vice chairman and representatives from employers and employees.

At Sg Segama 1 Estate, a safety and health committee been conducted on 21 Mar 2016, 24 June 2016, 22 Sep 2016 and 22 Dec 2016. Latest meeting was held on 20 Mar 2017. A safety committee meeting is available at the mill with latest organization chart 2017 is made available. Number of employer rep is 9 and for workers rep is 7 persons. The committee has a chairman, vice chairman and a secretary.

At Sg Segama Estate 2, a safety and health committee been conducted on 22 Mar 2016, 24 June 2016, 23 Sep 2016 and 22 Dec 2016. Latest meeting was held on 21 Mar 2017. A safety committee meeting is available at the mill with latest organization chart 2017 is made available. Number of employer representative is 9 and for workers representative is 7 persons. The committee has a chairman, vice chairman and a secretary.

Observation: There are reports of high number of stray dogs during each Safety & Health Committee meeting at the estates and at the mill. The company is strongly encouraged to implement humane management of this issue such as engaging a vet for sterilization program of the strays

Records at clinic SSGOE been sighted and interviewed the Medical Assistant (MA) with sampled several accidents reported. At Sg Segama 2 on 1 Sep 2016 cut by slashing knife (Medical leave for 16 days), and another case on 3 December 2016, palm frond fell on worker (Medical leave for 7 days). Accident records are maintained and submitted to the Department of Occupational Safety & health in accordance with local requirements, as sighted from evidence from Bukit Mas mill, i.e.:

- JKPP8 form for year 2015 (register of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) which lists 3 workers having accidents in year 2015. One worker named Yavet Ita took sick leave of 31 days for accident at sterilizer which occurred on 31 May 2015. JKPP6 form was prepared accordingly for this worker and reported to DOSH on 2 June 2015 (as required for any accidents where worker takes sick leave of 4 days or more)
- JKPP8 form for year 2016 (register of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) was submitted to DOSH on 9 Jan 2017 by the Estate Manager. The form lists 5 workers having accidents in year 2016. One

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worker named Anton Bria took sick leave of 63 days for accident at workshop which occurred on 10 October 2016. JKPP6 form was prepared accordingly for this worker and reported to DOSH on 12 October 2016. 3 other accidents cases were also immediately reported

Local workers are covered under Perkeso (Social Security Department) while foreign workers are covered under Lonpac Insurance, which cover medical care as well as accident insurance. Sighted evidence that Foreign worker compensation scheme (FWSC) payment has been made or is in progress for workers who had accidents, e.g. at Bukit Mas mill, found the following records:

- i) Indonesian worker named Anton Bria had an accident on 10.10.16 at the workshop. Sighted letter from Labour Department of Kota Kinabatangan to HSPHB dated 8 March 2017 requesting for documents to interview of worker on 13 March 2017 in order to process compensation payment
- ii) Indonesian worker named Hassan Sampri had an accident on 19.11.15 at process. Evidence of payment made for amount of RM2607 from Lonpac Insurance Bhd. in letter dated 6 June 2016 was sighted. Also confirmed with worker that he had received the compensation payment.

While evidence of social security payment for local worker was also sighted as follows:

- i) Malaysian worker named Amit Niah had an accident on 10.08.16 at the fitter. Evidence of cheque for claim amount of RM129.78 issued by Perkeso (Social Security Department) issued 30 Sept 2016 was sighted.

**Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.**

**Findings:**

SSGOE has established the Occupational Safety and Health (OSH) Plan 2017 dated 4 January 2017 which includes Safety & Health, workplace inspection, and emergency preparedness. Under environmental issue, schedule waste training, HCV, riparian, open burning, spillage/leaking incident.

Sighted at Bukit Mas Estate with training as below:

1. Chemical mixing - 13 Jan 2017
2. Harvesting - 10 Feb 2017
3. Emergency Response and Preparedness - 21 Feb 2017
4. First Aid - 23 Feb 2017 and 10 Mar 2017
5. Sprayers - 7 Mar 2017
6. Trunk injection - 7 Mar 2017
7. Manuring - 10 Mar 2017
8. Emergency evacuation for school children - 20 Mar 2017

For SSGOE in 2016, training been conducted for safe driving dated 16 April 2016, 1<sup>st</sup> Aid training for storekeeper and mandore dated 11 October 2016, and first aid training by external - 2 July 2016.

For Sungai Segama 1 Estate in 2016, training conducted for rat census dated 5 Sep 2016, harvesting on 4 August 2016, spraying and chemical mixing on 13 Sep 2016.

At Sungai Segama 2 Estate in 2016, sighted training for manuring dated 5 Aug 2016, harvesting on 22 April 2016, and sprayer on 26 Sep 2016 with rat census dated 5 Apr 2016.

**Compliance status:**  Yes  No

NCR No.: -

For Bukit Mas Estate in 2016, chemical mixing & triple rinse been done on 6 June 2016 and rat census training was held on 12 Aug 2016

A training for sprayers been conducted on 13 June 2016 at Bukit Mas Estate, 12 July 2016 at Sg Segama 1 Estate and 8 Aug 2016 at Sg Segama 2 Estate for pre-mixing and triple rinse. On 13 January 2017 training been done at Sg Segama 2 Estate for PPE usage based on the OPAP 8 and OPAP 9.

At Bukit Mas palm oil mill, there is evidence of adequate training in safe working practices. Sighted a mill Program for the Year 2017 was found available dated 4 January 2017. In 2016, fire extinguisher training done on 2 Nov 2016 including the emergency drill.

Medical surveillance for mill workers been conducted on 29 July 2016 and audiometric test dated 27 June 2016.

Annual inspection for air compressor been conducted on 8 Sep 2016. Other activities such as monitoring of accident, fire extinguisher inspection and first aid box inspection are conducted regularly by monthly basis.

**Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

**Findings:**

Environmental Impact Assessment, Management Plans and Continuous Improvement Plans with latest review on 28 Feb 2017 been sighted for SSGOE (Bukit Mas, Sg Segama 1 and Sg Segama 2).

SSGOE have listed activities which has environmental impact as below:

1. Harvesting - prune, stalk
2. Spraying - herbicide, weedicide
3. Manuring - fertilizers and empty fertilizers bag
4. EFB application - water pollution, soil pollution
5. Pest infestation - chemical application
6. Transportation - water pollution, scheduled waste
7. Office - recycle waste, electrical waste
8. Workshop - scheduled waste, scrap metal, diesel tank
9. Store - fertiliser, chemical
10. Housing area - sewage, recycle waste, open burning, spillage

For improvement, electronic-Scheduled Waste Information System (eSWIS) for schedule waste data monitoring and conducting schedule waste inspection by a competent person.

Continuous improvement plan for SSGOE still maintained as previous which are for pollution prevention and mitigation measures. In addition, it includes IPM program with eSWIS registration with better monitoring of schedule waste, inventory list and consignment notes record.

At Bukit Mas palm oil mill, the aspect impact environmental assessment for Bukit Mas mill has been done and documented in Environmental Impact Assessment Management Action Plans and Continuous Improvement Plans dated on 28 Feb 2017 (5<sup>th</sup> Review) and next

**Compliance status:**  Yes  No

**NCR No. RSPO1039:**

Litang village representatives interviewed informed of discharge of dark-coloured water seen in streams within the company's area in November 2016, e.g. at blocks 96B3 and blocks 96A5. It was further claimed that such discharge occurs annually and has affected the quality of Segama river which is used by the villagers for fishing, washing, etc. This was only informed to the management during meeting held in February 2017. Action taken by the company was only to do testing of the water quality and a copy of the results was provided to the village representatives. However there is no evidence that this issue was incorporated in the company's environmental management action plan for monitoring and identification of the source of the discharge to prevent recurrence.

(Noted that at time of this audit, the streams were observed to show no dark-coloured water)

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review will be in March 2018 (date is not yet fix). Below are the activities at the mill which has environmental impacts:

1. POME
2. EFB
3. Fiber / shell / boiler ash
4. Washing of mill floor, marshaling yard and ramps
5. Smoke emission
6. Noise pollution
7. Disposal of scheduled waste (mill operations)
8. Domestic waste, sewage
9. Diesel tank (spillage)
10. CPO loading jetty
11. Transportation
12. Pest infestation
13. Stores
14. Scrap metal
15. Waste Water Treatment Plant (WWTP)

Litang village representatives interviewed informed of discharge of dark-coloured water seen in streams within the company's area in November 2016, e.g. at blocks 96B3 and blocks 96A5. It was further claimed that such discharge occurs annually and has affected the quality of Segama river which is used by the villagers for fishing, washing, etc. This was only informed to the management during meeting held in February 2017. Action taken by the company was only to do testing of the water quality and a copy of the results was provided to the village representatives. However there is no evidence that this issue was incorporated in the company's environmental management action plan for monitoring and identification of the source of the discharge to prevent recurrence. This was raised as NCR No. RSPO1039. (Noted that at time of this audit, the streams were visited and observed to show no dark-coloured water)

**Criterion 5.2: The status of rare, threatened or endangered species (ERTs) and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.**

**Findings:**

Hap Seng Plantations has conducted an HCV assessment for Bukit Mas Palm Oil Mill and Sungai Segama Group of Estates in 2011. This was done internally by two staff from the Sustainability Department. The findings from this assessment were collated and reported in the Potential High Conservation Value Area Assessment Report – Sungai Segama Group of Estates and Bukit Mas Palm Oil Mill. The HCV areas identified in the report are listed in the table below:

Estate	Identified HCV Area	Area (ha)	Type of HCV
Bukit Mas	Water catchment pond	17.5	4.1, 5
Sungai Segama I	Rocky and steep hill	30	4.2
Sungai Segama II	Bukit Kibos	75.5	1.2, 1.3, 1.4, 3, 4.1, 4.2

**Compliance status:**  Yes  No

NCR No.: -

See observations no. 11 and 12 in Section 3.3



	Non-operating quarry	35.4	4.2
	Burial site	0.3	6
	Area planted with Mahogany and Jelutong trees	10.7	
All	Sungai Segama		1.2, 2, 4.1, 5
	Other rivers – Sg. Sikok, Litang Besar, Litang Kecil, Maarang Arang, Tigbos and other small tributaries		4.2

It would also be better if the total area in hectares of the riparian reserves and the water catchment area near Bukit Kibos listed as HCV areas be calculated and stated in the HCV Assessment Report. This was raised as an observation.

The Potential High Conservation Value Area Assessment Report was last reviewed on 1 March 2017 with updates made based on results of monitoring and used to improve the company's management plan. It was confirmed that the previous action plan is still applicable and continues to be implemented with no amendment. However, it would be better if a revision list detailing the changes made to the HCV Assessment Report is made as a means of tracking the changes and updates made to this document. This was raised as an observation.

Appendix 3 of the report details the potential HCV areas management action plans for Sungai Segama Group of Estates. The action plans stated were as follows:

- Manuring and spraying at riparian areas is prohibited
- Prohibition cutting down of trees in the riparian area. Instead enrichment of the area with planting of variety of trees to enhance food availability and beauty of the area should be carried out.
- Prohibition of lorry carrying chemicals and fertilizers using ferry to cross Sungai Segama
- Ongoing program to record plant and animal species identified within Bukit Kibos area using camera traps
- Prohibition of logging in all HCV areas
- Prohibition of illegal hunting in all HCV areas. Illegal hunting monitoring is to be conducted on a 3 months once basis for any signs of encroachment or illegal activities

Appendix 4 of the report states the Timeline and Management Plans for Protection and Conservation of HCV areas in SSGOE. Among some of the improvements suggested for implementation are:

- a) Improve on the number of signboards on prohibiting illegal hunting, poaching and timber harvesting activities
- b) Engage Green Harvest Sdn Bhd for regular observation for identification of birds, animal, plants and fungi species
- c) Identify plants for erosion control – planting of suitable plants i.e. Sepat Tree, LCC and vertiver) done at selected flooded areas to maintain riparian areas

d) Regenerate, re-vegetation and reforest disturbed areas

Appendix 5 of the report shows the locations of all HCV areas on a map

A Biodiversity Study at Bukit Kibos to Develop Fauna Inventory List - Hap Seng Plantations Holdings Berhad report is being prepared by the Sustainability Department on a quarterly basis. 2 reports for the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2016 has been prepared was sighted during this audit. The objectives of this study are:

- a) To Identify the species of fauna that are available at Bukit Kibos as recommended by HCV report of Green Harvest Environment Sdn Bhd (GHESB)
- b) To develop the species inventory recording list according to IUCN
- c) To manage the already noticed species in Bukit Kibos

There are currently 9 cameras in operation to track the types of animal in Bukit Kibos area. At the time of the audit, 2 cameras are under repair and one was stolen.

The list of animals tracked thus far are as follows:

- 1) Orang utan (*Pongo pygmaeus*)
- 2) Burung Murai Rimba (*Copsychus malabaricus*)
- 3) Wild boar (*Sus barbatus*)
- 4) Pig tailed macaque
- 5) Long tailed macaque
- 6) Lesser mousedeer
- 7) Short tailed mongoose
- 8) Leopard cat
- 9) Chicken
- 10) Barking deer
- 11) Borneon Yellow Muntiac
- 12) Sambar deer
- 13) Collared Scops Owl

Regular trainings are being conducted for the workforce in the estate with regards to the awareness of HCV areas, RTE species and disciplinary and legal measures that can be taken against anyone who captures, harms, collects or kills these species. The last training was held on 1 March 2017.

The training was on wildlife habitat management and sustainable use of wildlife resources. During this training it was also explicitly mentioned illegal hunting and capture of RTEs stated under the Malaysian law would cause the offender to be imposed a maximum fine of RM50,000 (fifty thousand Ringgit Malaysia) or 5 years in prison or both.

There are currently no HCV set-asides with existing rights of local communities that have been identified. As such there are no negotiated agreements with the local communities with regards to the protection of HCVs and rights of local communities.

**Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner**

**Findings:**

At Bukit Mas palm oil mill, the waste products and sources of pollution have been identified and documented accordingly in the Environmental Impact Assessment Management Plans and Continuous Improvement Plans (5<sup>th</sup> Review) dated 28 Feb 2017.

Type of waste been identified are:

1. organic waste - workers house, canteen, club house
2. domestic waste - housing area
3. faecal / digestive waste - office, housing area, club house
4. maintenance oil - workshop
5. empty chemical containers - chemical store
6. electrical waste - house, office, workshop, operating units
7. clinical waste - clinic
8. paper and cartridge ink - office

Other wastes from the mill which also been identified such as POME, EFB, shell, scrap metal etc.

There is a management action plan from the environmental aspects identified. The operations from WWTP (POME) - water pollution, EFB - biomass disposal, fibre and ash from boiler, smoke emission, transportation, noise pollution, waste management, pest infestation, stores, scrap metal, and office as well.

For Sg Segama 1 Estate, Sg Segama Estate 2 and Bukit Mas Estate, the waste and the sources of pollution have been identified and documented in Environmental Impact Assessment Management Action Plans and Continuous Improvement Plans (5<sup>th</sup> Review) dated 28 Feb 2017.

Type of waste been identified from activities:

1. harvesting - fronds, stalk
2. spraying - herbicide, weedicide
3. Manuring - fertilisers and empty fertiliser bags
4. EFB application - water and soil pollution
5. stores - fertilizer, chemical
6. housing area - sewage, open burning
7. clinic - clinical waste
8. nursery operation
9. road construction and maintenance
10. bunch census
11. WWTP
12. workshop - scheduled waste, scrap metal, diesel tank

There is a management action plan from the environmental aspects identified. The operations from harvesting, manuring, pest infestation, spraying, riparian reserve, vehicle movement, nursery, and office

The rubbish collection record been sighted for the month of Jan and Feb 2017. The collected rubbish is later been dumped into the landfill.

At Bukit Mas palm oil mill, the scheduled waste been monitored accordingly and appointed licensed contractor approved by DOE for collection and transportation. The approved contractor is Legenda Bumimas Sdn Bhd which has valid permit (No: 003441) to collect and transport of scheduled waste valid from 1 May 2016 to 30 April

**Compliance status:**  Yes  No

NCR No.: -

2017. The approved scheduled waste is SW305, SW306, SW409, SW410, SW102.

Latest consignment note is made available for the collection on 18 Mar 2017 for SW305 (0.137mt), SW102 (0.33mt), SW410 (0.21 mt), SW409 (0.12mt),

Installation of belt press in order to have better retention time at the ponds. This have been started since April 2014 and recorded on daily basis, and for year 2016 produced 14,386 mt of solid sludge.

Monitoring of POME discharged by daily basis analysed by external laboratory; Lahad Datu Edible Oils Sdn Bhd with final discharge of BOD is recorded at 8.64 mg/l (January 2017), 8.60 mg/l (December 2016) and 8.46 mg/l (November 2016) (standard: 100 mg/l) which is compliance to the company's Environmental Quality Act 1974 permit valid from 1 July 2016 to 30 June 2017 (License #003435) for approved capacity of 45 mt/hr.

At Sg Segama 1 and Sg Segama Estate 2 Estates, the approved contractor is Legenda Bumimas Sdn Bhd which has valid permit to collect and transport of scheduled waste valid from 1 May 2016 to 30 April 2017 (No License: 003441). The approved scheduled waste is SW305, SW306, SW409, SW410, SW102.

Latest consignment note is made available for the collection on 24 Mar 2017 for SW305 (13 mt), SW102 (1.4 mt), SW410 (0.51 mt), SW409 (0.065 mt), Previous collection for disposal has been evident dated 8 Oct 2016 for SW102 (0.94 mt), SW305 (5.2 mt), SW409 (0.09 mt) and SW410 (0.8 mt)

For clinic, it was sighted that the scheduled waste (SW404 - clinical waste) been collected accordingly on timely manner, every 6 months or 20mt whichever comes first as evident 16 Sep 2016 (25.5 kg) and 28 Feb 2017 (12.5 kg).

A waste management plan been sighted at Bukit Mas palm oil mill dated 28 Feb 2017 which includes scheduled waste management, solid waste management and sewage management. The mitigation measures identified as recycle of waste, no open burning, disposal of domestic waste and providing enough bins at workers houses.

The monitoring plan by recording the domestic waste collection, monthly housing area inspection for zero open burning.

For schedule waste management, the mitigation measures including storage from waterways and bunding, oil trap at workshop and disposal to authorized contractor. The monitoring by recording the scheduled waste generated, monthly check of oil trap, monitoring and record via eSWIS and competent person for site inspection on monthly basis.

Sewage management is not directly discharge to waterway, septic tanks at each house and replace them with new units. This will be monitored by periodic visit at housing area.

At Sg Segama 1 Estate and Sg Segama 2 Estate, a waste management plan been sighted dated 28 Feb 2017 which includes scheduled waste management, solid waste management and sewage

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management. The mitigation measures identified as recycle of waste, no open burning, disposal of domestic waste and providing enough bins at workers houses.

**Criterion 5.4: Efficiency of energy use and use of renewable energy is maximized.**

**Findings:**

At Bukit Mas palm oil mill, renewable energy utilization has been monitored on monthly basis in 2016. From the records sighted from "Renewable Energy Utilization for Financial Year 2016", based on the FFB processed 242,830.17 mt with 48,090 mt of CPO produced. The total fibre utilized in 2016 was 46,137.73 mt and total shell usage was 19,426.41 mt with total kWh generated of 720,461 kWh.

Monthly usage of diesel also been monitored per ton FFB processed and diesel usage per ton CPO produced from the "Diesel Consumption for Financial Year 2016". Average of diesel consumed recorded was 1.02 liter per FFB processed. Meanwhile for diesel consumption per CPO produced was recorded at 5.49 litre per mt.

At Bukit Mas Estate, a record of diesel consumption has been sighted from 2012 to 2016 and well kept. The usage recorded in 2016 is 324,250 L with 98,863 mt of FFB. Vehicles list which includes 19 lorries and 48 tractors with various models. At Sg Segama 1 Estate have 17 lorries and 24 tractors with diesel consumption recorded 151,035 L with 33,355 mt of FFB and at Sg Segama 2 Estate have 16 lorries and 29 tractors with diesel consumption recorded at 153,681 L with 47,619 mt FFB. Vehicles also been inspected by weekly basis for each unit with records were sighted and well kept. Items checked as in the checklist are engine oil, water radiator level, brake oil level, power steering oil, brake system, signal light, brake light, etc.

**Compliance status:**  Yes  No

NCR No.: -

**Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

**Findings:**

All estates do not conduct open burning for land clearing, This is in accordance to the Zero Burn Method under the section on Land Clearing, Preparation and Planting listed in OPAP 2. There were no open burning sighted in any of the replanting areas, landfills as well as workers and staff quarters during the field visits.

**Compliance status:**  Yes  No

NCR No.: -

**Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**

**Findings:**

At Bukit Mas palm oil mill, all sources of pollution have been identified and documented accordingly in the Environmental Impact Assessment Management Plans and Continuous Improvement Plans (5th Review) dated 28 Feb 2017. While for Sg Segama 1 Estate, Sg Segama Estate 2 and Bukit Mas Estate, the waste and the sources of pollution have been identified and documented in Environmental Impact Assessment Management Action Plans and Continuous Improvement Plans (5th Review) dated 28 Feb 2017 (see CR 5.3 for details).

GHG emission calculation been submitted to RSPO dated 17 Jan 2017. After amendment the calculation is re-sent on 11 Feb 2017.

**Compliance status:**  Yes  No

NCR No.: -

The GHG Management was computed based on the latest PalmGHG V3.0.1.

Estimated emission of GHG production of the estates (Sg Segama 1 & 2, Bukit Mas and Ladang Kawa) is between 4.72 mtCO<sub>2e</sub>/ha to 10.02 mtCO<sub>2e</sub>/ha or 0.21 tCO<sub>2e</sub>/mt of FFB to 0.44 tCO<sub>2e</sub>/t of FFB.

For Bukit Mas palm oil mill (BPOM), the estimation of GHG is 2.35 mtCO<sub>2e</sub>/mt of FFB based on the calculation of carbon sequestration from each estates, POME production and field fuel consumption with POME contributes the highest GHG emission.

The GHG emission computed breakdown as 65.66% (SSGOE), 15.16% (Kawa Estate) and BPOM (19.18%). For field emission, land conversion contributed the highest emission of conversion of oil palm cultivation. A better fertilizer application and field fuel consumption will continue to reduce the GHG. At the mill, POME has contributes the highest emission, and a biogas plant is plan to reduce the emission which is anticipated to commission by 2018.

**Criterion 6.1: Aspects of plantation and mill management including replanting that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

**Findings:**

Social Impact Assessment for Sg Segama Group of Estates (SSGOE) and Bkt Mas POM was carried out between 10 Jan 2011 to 1 April 2011 and an SIA Report dated 25 March 2011 was prepared. The SIA Action Plans are being reviewed every two years following stakeholder consultation sessions.

The 4th review was held on 9 December 2015 and a report of that meeting was produced dated 2 February 2016. The meeting was attended by 40 pax, including the estate management, Sabah Forestry Department, Police, Wildlife Department, Immigration, Suruhanjaya Tenaga, workers' representatives, HUMANA representative. Although invitation letters were sent to local community, they were not able to attend. A copy of the invitation letter was sighted and verified.

The next SIA Action Plan review is scheduled for May 2017.

Separate stakeholder consultations were also carried out at the estate and mill. This is done in the form of Joint Consultation Committee (JCC) meetings with internal (workers, staff) and external stakeholders (suppliers, contractors, local communities). Minutes of the meeting were sighted as follows:

- A JCC meeting held on 13 February 2017 was attended by estate management, sundry shop owners, estate dresser, representatives from Kg Litang and SK Litang.
- A stakeholder meeting held on 21 February 2017 held at S.K. Litang attended by representatives of HSPHB, village head (ketua kempong), village representatives (JKKK), Headmaster of S.K. Litang and Wakil Ketua Anak Negeri.
- A JCC meeting held on 10 August 2016 attended by 53 attendees, comprising estate management, clinic HA, estate supervisors, ketua kempong, teachers from HUMANA and SK Litang, contractors and sundry shop operators.

**Compliance status:**  Yes  No

NCR No.: -

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- Stakeholder meeting held on 15 September 2016 with the Jawatankuasa Komuniti Perumahan Kilang Bkt Mas. The meeting was attended by 12 pax comprising mill management, workers and staff.

For workers, individual interviews were carried out on various dates in January 2017, and records of these interviews were sighted. Among those interviewed were local and Indonesian workers (both male and female). They were:

- Kazman Zaidi - Indonesian (driver, male)
- Risna Ambo Rappe - Indonesian (manuring, female)
- Hamira Rahman - Indonesian (sprayer, female)
- Chang Chen Yu - Malaysian (supervisor, contractor)

Comments raised by the workers were incorporated in "Appendix 7 Social Impact Assessment Based on Interview with Workers 5th Review 1 March 2017".

Issues raised in these meetings and interviews were captured in:

- Appendix 7 Social Impact Assessment Based on Interview with Workers 5<sup>th</sup> Review 1 March 2017; and
- Appendix 8 of Summary of Social Impact Assessment the SIA Summary of social impact assessment at SSGOE and BPOM 5th Review 1 March 2017.

Review of the above appendices reveal that the mitigation of negative impacts and promotion of positive ones were carried out by identifying the issues, action plan and identification of the person in charge.

Indicator 6.1.5 is not applicable as there are no smallholder schemes involved.

**Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

### Findings:

There is a consultation and communication procedure known as Stakeholder Consultation Guidelines which is applicable for the SSGOE and is documented in the SIA Report which was prepared in 2011. The procedures are being exhibited on the office notice boards.

Management official responsible for communications and consultations with stakeholders were appointed in March 2017. They are as follows:

- Bukit Mas Estate: Fung Chau Yin (General Manager)
- Sg Segama 1: Alwani Rahman (Manager)
- Sg Segama 2: Hasrin Abidin (Manager)
- Bukit Mas POM: Rudianto Muhammad (Manager)

Their job description is listed out in the document entitled Social Impact Assessment, Management Action Plans and Continuous Improvement Plans for Sg Segama Group of Estates and Bukit Mas

**Compliance status:**  Yes  No

NCR No.: -

See observation no. 13 in Section 3.3

Palm Oil Mill. Their responsibilities, among others, include welfare and social needs of stakeholders, periodic visits to line-site and social amenities, periodic visits to neighbouring stakeholders, identifying social issues affecting stakeholders, monitoring creche, and acts as a focal point to monitor social trends in surrounding estates and act accordingly. Interview with Bukit Mas POM Manager, En Rudianto and En Hasrin Abidin confirm that they understand their role as a Social Liaison Officer.

The SSGOE's list of stakeholders include neighbouring estates, government agencies, local communities/villagers, NGOs, suppliers, contractors, internal stakeholders and consultants. The Mill has its own list of stakeholders which include suppliers, contractors, and government agencies.

However, one issue raised by a local community (Hamsah Lahinta) at the meeting held on 13 February 2017 regarding the issue of palm fronds and fruits floating in the waterways and destroying fish nets belonging to local community was not captured in Appendix 8. This was raised as an Observation.

**Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.**

**Findings:**

The procedures involved in grievance handling is detailed out in 'Prosedur Melapor Aduan dan Pemasalahan and Prosedur Melapor Aduan dan Pemasalahan: Pihak-Pihak Yang Berkepentingan atau Stakeholders' (Complaint Reporting Procedures and Complaints and Procedures Reporting Complaints and Issues: Interested Parties or Stakeholders). Additionally, a grievance procedure is also contained in the Social Impact Assessment for Sg Segama Group of Estates (SSGOE) and Bukit Mas POM which defines what is a grievance, and that it is the responsibility of the SSGOE and BPOM together with the respective Social Liaison Officers to educate staff and workers about the grievance procedure, and that the workers must be well aware of the grievance procedure and their rights to complaint their grievances. A briefing on the grievance procedure was carried out during muster by the Senior Estate Assistant SS1 on 6 December 2016.

The grievance mechanism identifies who can submit complaints (public, staff, workers, villagers), who can receive the complaints (clerk, chief clerk, assistant manager, manager). There is also a flowchart on how the dispute is to be handled.

There is also an option for complaints to remain anonymous, by keeping the complaints in a confidential file kept in manager's office with an undertaking that information would be kept confidential. These procedures are being exhibited at estate office.

Complaint feedback logbook where complaints are recorded and filed was reviewed. It contains complaints from workers on repairs that need to be done to their houses. The Complaints Form have details such as name of complainant, date of complaint, types of complaint, and signature of person receiving the complaint, and an action column which states the actions carried out. The Complaints Form also has a note underneath stating that in cases which require ano-

**Compliance status:**  Yes  No

NCR No.: -



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nymity, e.g. sexual harassment cases, that it should be handled with confidentiality.

**Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

**Findings:**

There is a document called Land Dispute Management dated 10 March 2016. The purpose of document is to provide guidance on managing any dispute encountered by HSPHB or its subsidiary with any third parties claiming interests on the land, gathering of information and documents such land titles and development plans, appointment of land surveyors and legal practitioners and consultation with land authorities in negotiation process.

As described under CR2.2, during the previous surveillance audit, there was identified one isolated land dispute case between the company and an individual since year 2013 between a JKKK representative from Kg. Lintang and Hap Seng, i.e. Mr. Hamsah over claimed ownership of 3.225ha of land within SSGOE area. The issue was resolved through free, prior and informed consent without coercion of the claimant, as described under CR2.2 above. There was no compensation required to be made by the company as it was agreed by the claimant that his area did not overlap with the company's area and he would be allowed to use his area freely with borders indicated. Records of the discussion and agreement were sighted in the form of meeting minutes, attendance list and photos, and confirmed through interview with the land claimant himself.

**Compliance status:**  Yes  No

NCR No.: -

**Criterion 6.5: Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

**Findings:**

Pay and conditions for employers are documented. Pay slips are provided to workers as confirmed from worker interviews. Pay slips for field workers show breakdown for all work done, allowances received, deductions, number of days worked and overtime hours performed. However, as found in previous audits, the company is deducting from worker's pay for replacement of tools, e.g. harvesting knives, slashing knives, wheelbarrows (for harvesters), safety helmets and tall safety shoes (for mill workers). While this is permitted as seen in permit for deductions from the Sabah Labour Department and informed that this is implemented to ensure workers take proper care of their tools, ideally workers should not be deducted for work equipment. This may result in safety issues if workers choose not to replace faulty tools & safety boots to reduce deductions, or workers purchase cheaper equipment elsewhere which does not meet minimum safety & quality requirements. Several mills workers interviewed also informed of incidences where their overtime hours worked as stated on their punch cards are not consistent with overtime hours stated on their pay slips. This claim could not be confirmed by the audit team. Mill workers were also unsure of how their overtime pay is calculated, indicative of lack of communication by the mill management. These were noted as observations.

Contracts for local and Indonesian foreign workers at the mill were sampled and confirmed that all workers and the mill management

**Compliance status:**  Yes  No

**NCR No. RSPO01040:**

There was found a number of discrepancies with date of signing of several sampled of employment contracts of estates workers which affects the validity of contracts, e.g.

- i) Employment contract (one page document) for the following workers were signed by workers & management but no date of signing by either was stated:
  - Andi Mus (SSI estate)
  - Amir B. Baharuddin (SSI estate)
  - Ratna Dewi@ Ratna Wati (SSI estate)
  - Rahmah Hammadiyah (creche worker)
- ii) The terms and conditions of work (2 page document) for the following workers were

sign a dated appointment letter. Terms and conditions of employment are attached to employment contracts and include information on the worker's position, salary, allowances, overtime rates, working hours, termination notice, holidays, sick leave, paid annual leave, maternity leave and other facilities provided. It was confirmed that all benefits stated are in accordance with the local legal requirements. Payment and overtime calculations were checked and confirmed to be calculated correctly in accordance with legal requirements.

However, it was found in the working contracts for all estates the following term, "It is hereby agreed that the employer is not obliged to provide for repatriation of the employee". This is clause is not in accordance with the Sabah Labour Ordinance Clause 96 "Every employee who is a party to an agreement or contract under this Ordinance shall have the right to be repatriated at the expense of the employer..." in 6 listed situations including the following which are most applicable to the company's workers, i.e.:

(c) on the termination of the agreement or contract by reason of inability of the employee fulfil the agreement or contract owing to sickness or accident ;

(d) on the termination of the agreement or contract by notice or otherwise.

(f) on the termination of the agreement or contract by agreement between the parties;

There was also no evidence that costs of repatriation of workers who stopped working according with the requirements above were borne by the company. This was raised as a non-compliance under CR2.1.

There was also found a number of discrepancies with date of signing of several sampled of employment contracts of estates workers which affects the validity of contracts, e.g.

i) Employment contract (one page document) for the following workers were signed by workers & management but no date of signing by either was stated:

- Andi Mus (SSI estate)
- Amir B. Baharuddin (SSI estate)
- Ratna Dewi@ Ratna Wati (SSI estate)
- Rahmah Hammadiyah (creche worker)

ii) The terms and conditions of work (2 page document) for the following workers were signed by workers & management but no date of signing by either was stated:

- Rusnah Cenuru (SSII sprayer)
- Lukman Tamrin (SSII harvester)
- Ical Zainuddin (SSII harvester) – date of manager signature only missing
- Baharuddin Tahir (SSII harvester)

iii) The terms and conditions of work was signed on significantly different dates for the following workers:

- Amir bin Baharuddin (SSII harvester) – signed by worker on 02/01/2006, signed by manager on 14/03/2017
- Andi Mus (SSII harvester) – signed by worker on 20 August 2014 and signed by management on 14 March 2017.

This was also raised as NCR No. RSPO01040.

Found several observations pertaining to contract terms and conditions as below:

signed by workers & management but no date of signing by either was stated:

- Rusnah Cenuru (SSII sprayer)
  - Lukman Tamrin (SSII harvester)
  - Ical Zainuddin (SSII harvester) – date of manager signature only missing
  - Baharuddin Tahir (SSII harvester)
- iii) The terms and conditions of work was signed on significantly different dates for the following workers:
- Amir bin Baharuddin (SSII harvester) – signed by worker on 02/01/2006, signed by manager on 14/03/2017
  - Andi Mus (SSII harvester) – signed by worker on 20 August 2014 and signed by management on 14 March 2017

**See also observations no. 15 and 16 in Section 3.3**

i) From sampled contracts of employment sighted for the mill and estate workers, the following was found:

- Signed contracts of employment form for estate workers are not attached directly with terms and conditions of work, which are signed by workers and management as a separate document. For mill workers, only signed agreement to terms and conditions of work were sighted but not employment contract form as seen for estate workers
- Amendments to contracts, e.g. increase in basic salary, termination notice periods are amended directly in existing contracts by hand (with signature acknowledgment by management), instead of a new document stating revised contract terms being provided to workers.

ii) Several estate workers interviewed are under the impression that they are not entitled to any paid annual leave, although paid annual leave entitlement is stated in their terms of employment.

Housing, water supplies, medical, educational and welfare amenities are provided for workers in accordance with the Workers' Minimum Standard of Housing and Amenities Act 1990. Description as follows:

- Workers are provided one house per family or maximum 5 non-married workers per house. Housing is maintained in good condition with free amenities provided for workers including bed frame, cooking stove, cupboards, lighting, electricity, water supply, water storage tanks for each house, AND football field. Workers interviewed that while quality of water supplied is good and can be used for drinking and cooking, water supply is now provided based on certain timing, i.e. for staff, water is supplied from 6pm to 9 pm and 5am to 7am daily, while for workers, water is supplied from 4 – 6pm only once every two days. This timing has been ongoing since a drought period about a year ago and still continuing. While some say this is sufficient for their use, some workers and staff request that the water supply be made continuous like previously or at least the hours be increased. This was noted as an observation
- An estate clinic is made available at Bukit Mas Estate for all employees. Medical treatment and medication is provided free.
- Local workers send their children to the nearest government schools, while foreign workers (all Indonesian) send their children to a Humana school available in the company area. The school provides primary level education, after which the Indonesian children are typically returned to their home country to pursue their secondary and tertiary education.
- A crèche is made available for workers. However, mill workers interviewed informed that they believe they are not allowed to send their children to the company crèche. This was also informed by the crèche workers. This understanding is however not consistent with management's information that the crèche is actually open to all worker's children. This has resulted in several mill workers engaging private babysitting services causing them to incur unnecessary expenses. Noted as an observation.
- Houses of worship are provided for Muslim and Christian staff/workers

There are 3 shops available in the worker's housing area for purchase of food and other necessities. In addition, there is a bus company that provides daily transport for all workers and staff to Lahad Datu town daily, where they can go for their shopping needs if they wish. Two sundry shops within the housing complex were

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visited during the audit, namely Kedai Nadi Jaya and Kedai Bukit Mas. Both shops sell basic necessities such as milk, rice, sugar, flour, vegetables, chicken, fish, etc. Prices at the shops are listed every month and given to the Sg Segama Central Unit for approval and monitoring. These prices are exhibited outside the shops. Kedai Nadi Jaya displays the prices for both cash and credit purchases, whereas prices of items at Kedai Bukit Mas are the same for both credits and cash purchases. Workers who buy on credit will present their pay cheques to the shops who would then cash the cheques at the bank, before the outstanding grocery sum is deducted and the balance given to the workers. Interviews with the workers reveal that the prices at the sundry shops are reasonable, taking into account the distance between the shops and the nearest town.

**Criterion 6.6: The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.**

**Findings:**

The company has a documented Policy on Freedom of Association & Right to Collective Bargaining dated 22 March 2016 which is available in English and Malay. The language is appropriate for workers as most are local or Indonesian, with several Phillipino workers who can understand the local language. There is no documented restriction of workers to join associations or organizations in other documents found. In practice, no trade unions are established at the company but there is a Joint Consultative Council (JCC) with representatives from the workers. Additionally, employment contracts sighted does not contain any prohibitive clause from joining any trade unions.

However, from management and worker interviews it was informed that the JCC members are selected by the management and not elected by the workers. In addition, some workers interviewed informed that the JCC members do not regularly hold meetings with workers to get feedback on issues or to provide feedback on meetings with workers. This was noted as an observation.

**Compliance status:**  Yes  No

NCR No.: -

See observation no. 17 in Section 3.3

**Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.**

**Findings:**

The company has a Child Labour Policy dated 2 January 2017 which states that the company shall not employ underaged workers. However, the minimum working age is not specifically defined in company's Child Labour policy. Requirement to hire workers only 18 years and above is only stipulated in a memo to all managers dated 15 December 2011.

Masterlists of workers from the mill and estates, including dates of birth and date of hiring of all workers was checked, and sampled workers were cross checked against passport/ identification records. It was found only one case of worker named Rais Raman (Worker Serial No 82142) whose was found to have been hired on 21 January 2013 when he was 16 years old (date of birth as per passport: 24 March 1997). As the worker is now 20 years old at the time of this audit, this was noted as an observation.

**Compliance status:**  Yes  No

NCR No.: -

See observation no. 18 in Section 3.3

**Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.**

**Findings:**

The company has an Equal Opportunities Policy dated 22 March 2016 which states that equal opportunities for hiring, promotions, benefits, etc shall be provided to all workers regardless of race, religion or gender. In addition, the company's Labour Policy for Foreign Workers dates 28 September 2015 states a commitment to non-discrimination and provision of decent living conditions for foreign workers. The company also has a Sustainable Agriculture Policy dated 1st February 2017 which further defines that there shall be no discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, or age. No complaints regarding discrimination were received from all workers interviewed. Both local and foreign workers confirmed that pay and benefits received were the same regardless of nationality and there was no evidence of discrimination during recruitment. Vacancies for field workers are usually made known by word of mouth to locals, and hiring is based on skill, qualities, capabilities and medical fitness, while vacancy notices for higher positions do not contain any discriminatory elements.

**Compliance status:**  Yes  No

NCR No.: -

**Criterion 6.9: A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.**

**Findings:**

The company continues to maintain their policy document entitled 'Policy on Prevention of Eradication of Sexual Harassment at the Workplace' which contains guarantees of protection against acts of sexual harassment and violence, definitions, and complaint procedures. The company also has a documented SOP for making complaints regarding sexual harassment and violence. The policy document was sighted at the notice board in both the Bukit Mas POM and Sg Segama Estate. In addition, the company has a documented reproductive rights policy, dated 2 September 2015 which specifies that the policy aims to improve the health and well being of nursing mothers and new-born babies, to reduce sexually transmitted diseases, including HIV, and other reproductive related diseases, that the company respects the reproductive rights of women in accordance with national legislation and the policy will be communicated to all workers.

There exists a Sexual Harassment/Violence Committee ("Gangguan/Keganasan Seksual") 2017 at the Sg Segama Group of Estates. The organisation chart which was last updated on 10 February 2017, comprises employee and employer representatives. Minutes of the first meeting held on 14 February 2017 was sighted. The meeting was attended by 10 pax, and it discussed the appointment of the 2017 committee, a briefing on sexual harassment, violence and reproductive rights which was to be held on 22 February 2017, the need to report cases of sexual harassment/violence, distribution of sexual harassment complaints procedure, reproductive policy and the need to disseminate the information to all female workers/staff.

The briefing on sexual harassment/violence and reproductive rights was held on 22 February 2017 and was attended by 67 pax including female executives, field supervisors and workers. It contains briefing

**Compliance status:**  Yes  No

NCR No.: -

See observation no. 19 in Section 3.3

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sexual harassment and violence, the procedures for complaint, reproductive rights, introduction to the committee members whom they could channel their complaints to, touched upon the procedures for complaint,

It was confirmed from interviews from all female mill and estates workers that briefings regarding sexual harassment, violence and reproductive rights are regularly conducted by the female office staff (gender committee). Female employees have been briefed on what constitutes as sexual harassment, violence, and reproductive rights who to report such cases to, maternity benefits entitled to them, and requirement that women working with chemicals should inform the company if they are pregnant so they are allocated to other work. There are no reported cases of sexual harassment or violence from all workers interviewed. The gender committee head was also able to describe the procedure for ensuring the anonymity of workers who reported such cases.

However, there are opportunities for improvement as noted below:

- i) It should be ensured that male workers/staff are informed not only to avoid engaging in sexual harassment/violence but also that they can also utilize the grievance mechanism for sexual harassment should they be affected. In addition, some male workers interviewed were not aware of what sexual harassment means and what constitutes the same. Only one record of a muster briefing on 6 December 2016 at Bukit Mas Estate that mentioned sexual harassment was sighted.
- ii) As there may be a unemployed teenage girls who are children of workers living with the company area, the company should ensure they attend gender committee briefings as well, not only workers

**Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.**

**Findings:**

Requirement to display FFB prices and have a pricing mechanism is not applicable as the mill is not receiving any crop from smallholders. Contractors interviewed during the stakeholder consulting meeting held on 27 March 2017 informed that they understand contractual agreements with the company and there are no issues of late payments from the company.

**Compliance status:**  Yes  No

NCR No.: -

**Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.**

**Findings:**

Free medical facilities at the SSGOE clinic is extended to the villagers and their families living in Kg Litang. This is confirmed by the villagers interviewed, and verified by the Health Assistant. SSGOE also granted 15 written requests from workers who wanted to hold a *kenduri* (celebration event) for electricity to be supplied continuously from 6.00AM to 6.00PM.

Permission was granted to the Village Committee of Kg Litang who sought approval on 14 November 2016 to use the route at Bukit Mas Estate to transport out wood from Kg Litang. Additionally, a request from SK Litang on 25 August 2016 for water during the drought season was granted.

**Compliance status:**  Yes  No

NCR No.: -

**Criterion 6.12: No forms of forced or trafficked labour are used.**

**Findings:**

From workers interviews, there was no evidence of forced labour found. Mill and estate workers interviewed informed that overtime is not excessive and it was confirmed also from overtime hours stated on sampled pay slips are within the legal limit of 104 hours per month. Any overtime carried out is agreed by the workers who sign overtime sheets.

Foreign workers interviewed did not report of any incidences of trafficking or false information from recruiting agents in order to recruit them. Passports of foreign workers are securely retained by the company in a safe deposit box in the main estate office. Workers that wish to take back their passports to return to their home countries or for other purposes can receive their passports upon application within 3 days. Workers confirmed that the office also returns passports of workers immediately in the event of emergencies. While some foreign workers are agreeable with the company retaining their passports for security purposes, some workers informed that they prefer to keep their own passports in order to avoid harassment by local police while in town and in case of emergencies on weekends. Some have been forced by the police to pay up to RM500 to avoid being detained for not carrying their passports. This was noted as an observation.

From sample workers contracts and interviews, there was no evidence of contract substitution found.

The company has a documented Labour Policy for Foreign Workers dates 28 September 2015, which states a commitment to non-discrimination, no contract substitution, post arrival orientation program (which includes briefing on language, safety, labour laws, cultural practices, etc) and provision of decent living conditions for foreign workers. The policy is posted on the main estate notice board.

**Compliance status:**  Yes  No

NCR No.: -

See observation no. 20 in Section 3.3

**Criterion 6.13: Growers and millers respect human rights.**

**Findings:**

The company has a Human Rights Policy dated 1 October 2016 which states commitment to protection of Human Rights for workers, contractors, indigenous people, local communities and anyone affected by the company's operations. From all workers interviewed there were no issues raised pertaining to infringement of human rights.

There was a claim from the head of Litang Village that one of his family members and the wife of this relative working for the company were both wrongfully dismissed by the company, while another female family member working as company clerk resigned due to verbal scolding in front of other staff. This claim was investigated further and found adequate evidence of justification by the company for dismissal of this staff due to unethical conduct, hence this was not raised an issue or noncompliance. See Section 3.4 of this report for details.

Educational facilities such as Humana school and secondary school is still provided for worker's children including foreign workers

**Compliance status:**  Yes  No

NCR No.: -

**Principle 7: Responsible development of new plantings**

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**Findings:**

Principle 7 is not applicable because the company has no new developed area under SSGOE and currently has no plan to carry out any new development. Only replanting activities are planned as stated in Table 6 above.

**Compliance status: Not applicable**

**Compliance status:**  Yes  No

NCR No.: -

***Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.***

**Findings:**

Action plans for continual improvement are implemented and ongoing as found below and described further in the respective criterion:

- Reduction in use of pesticides: The company continues to cease usage of paraquat and does not carry out prophylactic application of chemicals. IPM techniques are applied with focus on usage of biological techniques in order to minimize usage of chemicals
- Environmental impacts: Environmental Impact Assessment Management Plans and Continuous Improvement Plans with latest review on 28 Feb 2017 been sighted for SSGOE (Bukit Mas, Sg Segama 1 and Sg Segama 2). HCV management plans are also implemented. See CR 5.1 and 5.2 for details
- Waste reduction (Criterion 5.3): There is a management action plan of the environmental aspects identified as per the company's Environmental Impact Assessment Management Plans and Continuous Improvement Plans (5th Review) dated 28 Feb 2017. This covers the operations from WWTP (POME) - water pollution, EFB - biomass disposal, fibre and ash from boiler, smoke emission, transportation, noise pollution, waste management, pest infestation, stores, scrap metal, and office as well. See CR5.3 for details
- Pollution and greenhouse gas (GHG): There is a management action plan of the pollution and greenhouse gases identified as per the company's Environmental Impact Assessment Management Plans and Continuous Improvement Plans (5th Review) dated 28 Feb 2017. See CR5.6 for details
- Social impacts (Criterion 6.1): Social impacts are managed and monitored as per the company's SIA document. See details under CR 6.1
- Encourage optimising the yield of the supply base: The company monitors relevant trends and production data to monitor changes and improvement to yield, as seen from the budget and projections which contain details of FFB produced, yield per hectare, OER, KER and total production costs, area statement, turnover including revenue, expenditure, cost of production, total overhead and capital expenditure. Best practices to improve yields such as fertilizer, EFB and POME application continue to be applied to improve yield production

**Compliance status:**  Yes  No

NCR No.: -



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The following is a summary of findings made for the criteria listed in the RSPO Supply Chain Certification 2014 with selected supply chain model MB.

During this recertification audit, there were no significant changes to the company's supply chain management. Bukit Mas Mill is located in Sabah - Malaysia. The mill was commissioned in 1998 to process the Fresh Fruit Bunches (FFB) from Sungai Segama Group of Estate. The location of Bukit Mas Palm Oil Mill is inside of Bukit Mas estate. The mill has an operating license from Malaysian Palm Oil Board (MPOB) i.e. MPOB license no. 50025430400 valid from 01 April 2016 to 31 March 2017.

The company was previously implementing the "Segregation (SG)" model of the RSPO Supply Chain Certification 2011 according to the nature of mill FFB supply condition. In accordance with the RSPO Supply Chain Certification Standard, as CPO mills no longer have the option for the "Segregation" model, the mill is now implementing the "Identity Preserved" SC model. The following is a description of the company's supply chain management system according to the RSPO SCCS requirements, including status of compliance of the company and their outsourced third parties to RSPO SCCS requirements:

### Module D – CPO Mills: Identity Preserved

#### D.1 Definition

##### Findings:

It was confirmed that Bukit Mas is correctly applying the Identity Preserved supply chain model as all FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C), with some occasional supply from other certified estates which are also managed by Hap Seng Plantations Holding Berhad. It was verified during this audit that the mill no longer accepts FFB from non-certified sources.

**Compliance status: Full Compliance**

**Compliance status:**  Yes  No

NCR No.: -

#### D.2 Explanation

##### Findings:

The projected CSPO and CSPK production for the year 2017 was estimated to be 34,030 tonnes of CSPO and 8,547 tonnes of PK as seen in the company's annual budget for year 2017. This budgeted production is slightly reduced from the previous year due to planned replanting activities in year 2017 which will reduce the total amount of crop received. The projected production figures for year 2017 have been noted in Table 4 of this report.

Bukit Mas Mill registers transactions of sales of RSPO certified CSPO in the RSPO IT platform at the time of physical shipment as required by the rules set by RSPO, as confirmed from the checks of the usage of the PalmTrace platform and history of transactions made from year 2016-2017. The total transaction of CSPO and CSPK recorded on PalmTrace for the period of 24 May 2016 until the time of the audit was 41336.15 MT and 9551.16 Mt respectively. The annual amount sold has not exceeded the certified tonnages permitted as per the company's license.

**Compliance status: Full Compliance**

**Compliance status:**  Yes  No

NCR No.: -

#### D.3 Documented procedures

**Findings:**

Bukit Mas POM continues to implement their Standard Operating Procedures for Traceability – CSFFB, CSPO & CSPK Traceability System Chain of Custody which is dated 23 August 2012 and was last revised on 30 November 2015.

The mill has the following SOPs which guides the implementation of the SCCS:

- 1) CSFFB, CSPO & CSPK Traceability System – Chain of Custody (SOP/COC/001)
- 2) Harvesting and Loading of Fresh Fruit Bunch (SOP/COC/002)
- 3) Delivery and Reception of CSFFB, In-House and Non In-House FFB (SOP/COC/003)
- 4) Dispatch of CSPO and CSPK from the mill to the Refinery/Bulk Transit Installation/Buyer's Barge (SOP/COC/004)
- 5) Monitoring of CSPO and CSPK Sales (SOP/COC/005)

These SOPs have corresponding attachments of the relevant forms and documents to be used. It was found that these attachments were not attached together with the SOPs. It would be better if the documents that are attachments to the SOP for traceability (SOP/COC/001 to SOP/COC/005) are attached together with the SOP instead of just having them in loose papers separately.

The procedure on delivery and reception of certified sustainable FFB (CSFFB) has included a description regarding how to handle documents for certified and non-certified material (FFB) and it is also states the definition of certified and non-certified FFB in the procedure. The mechanism (SOP CPO Dispatch) to write information certified or non-certified CPO on Weighbridge Advice Ticket has been established. Through sample checks of weighbridge documents it was confirmed that the company has implemented all procedures for their daily operations.

Bukit Mas POM's RSPO/ISCC Supply Chain Organizational Chart Team 2017 was sighted as identification of appointment of persons having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. The team includes the mill manager as the overall responsible person, assisted by the mill assistants and the office and operational staff, where responsibilities are divided into handling of Traceability Requirements, Mass Balance Calculation and GHG Emission Calculation.

The last training done with regards to the implementation of SCCs in the mill is the training on SOP Traceability held on 10 March 2017 and conducted by the mill assistant. This training was attended by all personnel involved in the implementation of SCCS in the mill such as the weighbridge clerk, lab assistant and weighbridge operators.

**Compliance status: Compliance with observations**

**Compliance status:**  Yes  No

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**See observation no. 21 in Section 3.3**

**D.4 Purchasing and goods in**

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### Findings:

The weighbridge tickets for the month of July 2016, November 2016 and February 2017 were sampled and the quantity and sources of certified FFB received were duly recorded in it as per the relevant procedures as stated in D.3 Documented Procedures above.

The mill's SOPs includes a mechanism for informing the CB immediately if there is a projected overproduction of certified tonnage. There has been no overproduction over the past year.

Bukit Mas mill carries making Shipping Announcements and Shipping Confirmations on the RSPO IT platform on the level of each shipment to buyers of CSPO, as seen from e-Trace transaction records for year 2016 and PalmTrace transaction records 2017.

**Compliance status: Full compliance**

**Compliance status:**  Yes  No

NCR No.: -

### D.5 Record keeping

### Findings:

All the records of FFB received and CPO and PK outputs are entered into the monthly Traceability Report which also serves as the mill mass balance sheets. The traceability report is updated on a monthly basis. It contains details of opening stock for CPO and PK, FFB received, FFB processed, CPO and PK dispatched from the mill and the final or closing stock for CPO and PK. The source of the figures for the traceability report is from the mill Daily Production Reports. An annual summary which is the Mass Balance System for ISCC Bukit Mas POM – January 2016 to December 2016 is also prepared to show the summary of movement of FFB, CPO and PK for the period of one year. The Figures in the Daily Production Report, Monthly Traceability Report and Annual Summary all tallies.

All sales of RSPO certified CPO are maintained as transaction records on the RSPO eTrace platform, which serves as an up-to-date record of all RSPO certified palm oil claimed. The mill does not purchase any RSPO certified palm products.

**Compliance status : Full compliance**

**Compliance status:**  Yes  No

NCR No.: -

### D.6 Processing

### Findings:

Bukit Mas Palm Oil Mill has not been receiving non-certified FFB during the past year. This was verified from the mill SOPs and weighbridge records.

**Compliance status: Full Compliance**

**Compliance status:**  Yes  No

NCR No.: -

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### 3.2 Status of Previously Identified Nonconformities

During the previous surveillance assessment, a total of 6 nonconformances were identified against the RSPO P&C MY-NI 2014 and no nonconformances were identified against the RSPO SCCS 2014. The nonconformities are which comprised 1 major non-conformities and 5 minor non-conformities. During this surveillance assessment, it was found that there was sufficient evidence for closure of all non-conformities.

The following is a description of the evidence of action taken to close the non-conformities raised during the previous assessment, as well as auditor's conclusions on the status of the non-conformities.

NCR No.	Clause & status	Nonconformity	Auditee response		Verification result during this audit	Conclusion
			Correction	Corrective Action		
RSPO 00193	2.1.1 (Major)	<p>Evaluation of compliance with relevant legal requirements insufficiently implemented on the following areas:-</p> <p>a) As per Sabah Labour Dept issued Permit on Deduction of Employee Wages [Permit Potongan Daripada Gaji Pekerja – Seksyen 113 (4), Labour Ordinance (Sabah Chapter 67)] – Issued Date: 2nd March, 2015; From 2nd March 2015 to 1st March 2016. Deduction from the employee wages is only allowed for travel documents processing and usage of water. However there were deductions made which were not listed in the permit, i.e. Sungai Segama II</p> <ul style="list-style-type: none"> <li>• February 2016 - Mohd Fahrul Nizam bin Mus – Levy Dependent: MYR 90,</li> <li>• February 2016 - Edy Isal – Levy Dependent: MYR 90,</li> <li>• November 2015 - Aril Abah – HP Tools (Monthly Installment) – MYR 80.00</li> <li>• July 2015 – Rency Kotten, HP Tools (Monthly Installment) – MYR 70.00</li> </ul> <p>b) Based on the following evidences there were no Foreign Workers Compensation Claims provided to eligible claimants in accordance Foreign Workers Compensation Scheme requirements</p> <ul style="list-style-type: none"> <li>• Notice of Accident Causing Injury or Death; Dated: 25th March, 2015; Name: Ricky Ola; Date of Accident: 23th March, 2015 – Laceration Wound at Calcauem (Calf Right) Hit by Oil Palm Tronds.</li> <li>• Accident Report;</li> </ul>	<p>a) On 9th April 2016, HSP's P&amp;A Department have re-submitted the Application of the Permit on Deduction of Employee Wages so that the store/tool item and levy dependent etc. can be deducted accordingly (Attachment 1.1c – Amended1). (When awaiting the JTK approval on the permit application on deduction of Employee Wages, SSGOE has temporarily cease the deduction of employee wages (Attachment 1.1d)</p> <p>b) i) Estate Management and P&amp;A Department have closely followed up with LONPAC Insurance Agent on the pending claims to Nurdin Ranpen. The compensation payment is expected to be released by October'16 (Attachment 1.2c).</p> <p>ii) Company has processed Ricky Ola's compensation claim by sending the accident notification to JTK and JKPP (Attachment 1.2d, 1.2e)</p> <p>The compensation claim expected to be paid to Ricky Ola in December'16 as the payment pro-</p>	<p>a) Estate's Administration Executive/ Coordinator to yearly conduct the refresher training on Deduction of Employee Wage to the Office Clerk in-charge of employee wages.</p> <p>b) i) Estate's Administration Executive/ Coordinator to yearly conduct the refresher training on Accident Claim Procedure to the Office Clerk in-charge of accident claim.</p> <p>ii) Joint monthly checking will be conducted by Estate Manager and Hospital Assistant to ensure no missed-out in the compensation claim.</p> <p>c) Estate's Administration Executive/ Coordinator to yearly conduct the refresher training on annual leave payment to the Office Clerk in charge.</p> <p>d) Estate management to ensure a correct lost of working and tally with JKPP 8 through joint monthly checking with HA.</p>	<p>a) The company has a new permit for deductions issued by the Sabah Labour Department and valid from 17 November 2016 to 16 November 2016. Deductions permitted in the permit include travel documents (not including levy, bank guarantee, worker's insurance and health checks (GROWARISAN), electricity and water bills, medical bills (as borne by workers), payment for transport to hospital (as borne by workers), and replacement work equipment (store). Sampled pay slips for 8 Indonesian workers from November 2016 to January 2016 and no deductions for levies of workers or their dependants were found. All foreign workers interviewed also informed that their pay is no longer deducted for levies Deductions for replaced work equipment (tools) were sighted in several pay slips, as allowed in the permit. Deductions are according to the price of worker's tool and spread out over several months.</p> <p>b) Sighted evidence that FWCS com-</p>	Closed

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		<p>Dated: 15th January, 2015; Nurdin bin Ranpen - Passport No: A8459148; Last update was on 27th April 2015. Incident: Corneal Laceration Right Eye &amp; incised wound; Medical Leave – 16th January 2015 to 22nd January, 2015</p> <p>c) Annual leave wages was paid in total on January of the following year as evident from the payslips reviewed. This is not in compliance with Sabah Labour Ordinance which specifies that payment of wages shall include annual leave wage within the wage period. The wage period here is monthly. The following were the samples noted in Payslips Jan 2016 (Sungai Segama II) for:-</p> <ul style="list-style-type: none"> <li>• Agus Tuntini, Sakir bin Jumarin &amp; Marience Bastian</li> </ul> <p>d) Incorrect Annual Accident reporting to Department of Safety and Health (DOSH). The number of lost working days reported in the JKKP 8 for Ricky Ola was 3 days. However in actual based on the Notice of Accident Causing Injury or Death – the correct lost working days were 6 days i.e. from 24th to 30th March, 2015. In view of the case above less than 4 lost working days was highlighted. The accident report to DOSH in JKKP 6 format was not used.</p>	<p>cess (from notification to JTK/JKKP until LONPAC Insurance Agent to release the payment) normally will take almost 8 months period.</p> <p>c) P&amp;A Department have obtained clarification from JTK on 20 &amp; 24.5.16 that pay in lieu annual leave is acceptable (Attachment 1.2f, 1.2g, 1.2h &amp; 1.2i)</p> <p>d) To amend the Notice of Accident with the actual number of days and send to JKKP. (Attachment 1.2d)</p>		<p>pensation has been made or is in progress for workers who had accidents, e.g. at Bukit Mas mill, found the following records:</p> <p>iii) Indonesian worker named Anton Bria had an accident on 10.10.16 at the workshop. Sighted letter from Labour Department of Kota Kinabatangan to HSPHB dated 8 March 2017 requesting for documents to interview of worker on 13 March 2017 in order to process compensation payment</p> <p>iv) Indonesian worker named Hassan Sampri had an accident on 19.11.15 at process. Evidence of payment made for amount of RM2607 from Lonpac Insurance Bhd. in letter dated 6 June 2016 was sighted. Also confirmed with worker that he had received the compensation payment.</p> <p>c) A representative from the Sabah Labour Department present during the Stakeholder consultation meeting on 27 March 2017 confirmed that payment of unused annual leave in lieu is acceptable. The department conducts annual checks of the company with no legal non-compliances found. In all workers pay slips for January 2017 sampled during this audit, none included payment of unused annual leave in lieu.</p> <p>d) It was confirmed</p>	
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					<p>from accident records and sick leave records, there are no recurring incidences of inconsistencies in reported sick days taken. For example for Bukit Mas mill, samples sighted as follows:</p> <p>i) Indonesian worker named Anton Bria had an accident on 10.10.16 at the workshop. JKKP8 form stated sick leave taken was 63 days which was consistent with sick leave certificates issued in October and November 2016</p> <p>ii) Malaysian worker named Amit Niah had an accident on 10.08.16 at the fitter. JKKP8 form stated sick leave taken was 4 days which is consistent with 3 sick leave certificates dated 10 August 2016</p> <p>iii) Indonesian worker named Hassan Sampri had an accident on 19.11.15 at process. JKKP8 form stated sick leave taken was 3 days which was consistent with sick leave certificate issued on 20 November 2015</p> <p>d) The correct Annual Accident Report to DOSH has been re-submitted for Ricky Ola on 18 May 2016. The number of lost working days has now been revised in JKKP 8 as 6 days from 24 Mar to 30 Mar 2015. Both JKKP 6 and JKKP 8 have been submitted together (Ref: RSPO/SS1/096/05/2016)</p>	
RSPO00194	2.1.2 (Minor)	<p>The legal requirement register updated in February 2016 was found not including all latest updates to applicable regulations, e.g.:</p> <ul style="list-style-type: none"> <li>EQ (Clean Air)</li> </ul>	<p>The applicable regulation (highlighted in 4th ASA) has been updated and included into the LRR (Attachment 2.1 &amp;</p>	<p>Review of the list of applicable regulation will be carried out every January of the year with the Senior Manager of P&amp;A De-</p>	<p>1) Review have been made to applicable list of regulation as below:</p> <ul style="list-style-type: none"> <li>EQ (Clean Air) Regulations 2014</li> </ul>	Closed

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		<p>Regulations 2014 not included.</p> <ul style="list-style-type: none"> <li>EQ (Sewage &amp; Industrial Effluent) Regulation 1979 is still included even though it replaced by 3 new regulations in 2009 (Industrial Effluent regulations 2009, Sewage Regulations 2009, Transfer of Solid Waste Regulations 2009)</li> <li>OSH Act 1994 is listed but missing Section 18, 20, 27</li> <li>OSH (CPL) Regulations 1997 still included although it is not longer enforced</li> <li>OSH (Safety &amp; Health Officer) regulations 1997 is listed although not applicable to the company</li> <li>OSH (CLASS) Regulations 2013 was recorded twice in the list, once Chapter 39 which actually supposed to be for regulations pertaining to minimum wage</li> <li>Uniform Buildings By-law 1984 was not listed.</li> </ul> <p>2) List of Applicable Laws and Legislation For Tomanggong Group of Estate (TMGOE), Jeroco Group of Estate (JGOE) and Sungai Segama Group of Estate (SSGOE) (Update and Review February 2016) did not include:-</p> <ul style="list-style-type: none"> <li>State of Sabah Holidays Ordinance (Sabah Cap. 56)</li> <li>National Wages Consultative Council – Guidelines on The Implementation of The Minimum Wages Order 2012</li> <li>Social Security Organization Act</li> <li>Employee Provident Fund Act.</li> </ul>	<p>2.2). The documents will be given to the estates/mill management to check for its compliance.</p>	<p>partment (who is more familiar with Malaysian Regulations).</p>	<p>have been included in the latest LRR dated 8 Mar 2017</p> <ul style="list-style-type: none"> <li>EQ (Sewage &amp; Industrial Effluent) Regulation 2009, Sewage Regulations 2009, Transfer of Solid Waste Regulations 2009) has been updated accordingly dated 10 June 2016</li> <li>OSH Act 1994 is listed with missing Section 18, 20, 27 been added in the registrar list dated 8 Mar 2017</li> <li>OSH (CPL) Regulations 1997 has been removed from the list and been replaced with OSH (CLASS) Regulations 2013 dated 10 June 2016</li> <li>OSH (Safety &amp; Health Officer) regulations 1997 has been removed from the registrar list which been reviewed on 8 Mar 2017</li> <li>The chapter of the legal register been updated accordingly until Chapter 35 – Other Related Requirements which been reviewed on 8 Mar 2017</li> <li>Uniform Buildings By-law 1984 is now been listed in the list of register dated 10 June 2016</li> </ul> <p>1) Bukit Mas Palm Oil Mill's List of Legal Register was updated on 10<sup>th</sup> June 2016 to include all applicable legal requirements, including those related to labour and social aspects. The newly added laws and regulations are as follows:</p> <ul style="list-style-type: none"> <li>Sabah Holidays Ordinance (Sabah Cap. 56)</li> <li>Social Security</li> </ul>	
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					<p>Organization Act</p> <ul style="list-style-type: none"> <li>Employee Provident Fund Act (Act 452)</li> <li>Immigration Act 1959/1963 (Act 155)</li> <li>Land Acquisition Act 1960</li> <li>Passport Act 1966 (Act 150)</li> <li>Personal Data Protection Act 2010</li> <li>Minimum Wages Order 2016</li> </ul>	
RSPO00195	2.1.3 (Minor)	<p>1) At Bukit Mas Estate and Sungai Segama 2, it was found that the OSH (CLASS) Regulations 2013 and FM (Noise Exposure) Regulations 1989 was listed in the legal requirements register but was not reviewed for status of compliance.</p> <p>2) Evidence of legal compliance evaluation not available for regulations pertaining to social aspects that were not listed in the legal requirements register, i.e.:</p> <ul style="list-style-type: none"> <li>State of Sabah Holidays Ordinance (Sabah Cap. 56)</li> <li>National Wages Consultative Council – Guidelines on The Implementation of The Minimum Wages Order 2012</li> <li>Social Security Organization Act</li> <li>Employee Provident Fund Act.</li> </ul>	The operating unit has immediately reviewed the compliance status of the mentioned regulations (Attachment 2.2, 3.1 & 3.2).	The independent Sustainability Team to cross check the status of compliance review done by estate/mill management at 3 monthly interval.	<p>1) Applicable Laws and Legislation for Sg Segama Group of Estates (SSGOE) was updated and reviewed on 8 Mar 2017. The legal requirements register was reviewed accordingly for the status of compliance i.e. OSH (CLASS) Regulations 2013, however for FM (Noise Exposure) Regulations 1989 only applicable for the Bukit Mas Palm Oil Mill.</p> <p>2) For all new laws and regulations added to the mill's list of Legal Register, the mill has conducted an evaluation of legal compliance last reviewed on 16 March 2017. No legal non-compliances have been identified.</p>	Closed
RSPO00196	2.2.3 (Minor)	There is one (1) case of land dispute since year 2013 between a JKKK representative from Kg. Lintang and Hap Seng, over claimed ownership of 3.225ha of land within SSGOE area. There was no evidence of effort taken by the company to resolve the land dispute through a mutually agreed conflict resolution process.	HSP has immediately arranged a joint consultative with En Hamsah (JKKK representative of Kg Litang on 21.4.16) to mutually resolved the land dispute matter (Attachment 4.1, 4.2, 4.3, 4.4, & 4.5).	SSGOE will be strictly guided by HSP Land Dispute Management Procedure to avoid any delay in mutual resolving land dispute matter in the future.	The company has evidence of invitation letter send to Mr. Hamsah (JKKK representative of Litang Village) for meeting on 21 April 2016 to discuss the issue which is regarding overlap of land area owned by him and the company at Block 96B5. Attendance lists, photos and meeting minutes	Closed with observations



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					<p>of the discussion was also provided. The meeting minutes stated that an agreement letter was made between the land claimant and the company, confirming that the land boundary of the claimed area is consistent with the land title of the claimant and titles owned by the company (there is no overlap), and the existing drains will be used as boundaries to identify the area between Mr. Hamsah's land and Bukit Mas estate block 96B5. There was agreed to be no trespassing or intrusion of either party's land and the discussion ended amicably. The agreement letter was signed by Mr. Hamsah and the company's General Manager and Chief Agronomist. The audit team met with Mr. Hamsah on 29 March 2017 and confirmed that he had met with the company and signed the agreement, however he did not receive a copy of the agreement</p>	
RSPO00197	4.5.2 (Minor)	<p>There has been no consolidated training done for personnel from all estates responsible for completing the monthly rat infestation reports. This is resulted in several inconsistencies noted in the estate monthly rat infestation reports, i.e.:</p> <p>1) Bukit Mas Estate rat infestation reports did not show the areas applied with rat bait, although chemical usage reports for Bukit Mas Estate showed Ebor rat bait was applied in February, June, July, October, November &amp; December 2015 (total 8,490kg applied for whole year).</p> <p>2) Sample rat infestation records for SSI for April, May &amp; June 2015 showed for each round of rat baiting done, the figures stated under subsequent rounds was in hectareage ap-</p>	<p>Training on the standardization of rat census/baiting /recording/ documentation on 19<sup>th</sup> April 2016 (Attachment 5.1). SSE1, SSE2 and BME has shown good consistency in the monthly Rat infestation report starting March'16 (Attachment 5.2).</p>	<p>Trainings on standardization of rat census/baiting/ recording/ documentation will be conducted annual basis to estate management. Agronomy Department will crosscheck the recording /documentation that relevant to rat baiting during RSPO internal audit. Any discrepancy will be notified to the Top Management and action will be taken.</p>	<p>The training on Standardization of Rat Baiting Census, Baiting, Recording and Documentation was conducted on 19/4/2016 by one of the agronomist and attended by 58 personnel as well as on 14/3/2017 and attended by 67 personnel involved with the implementation of IPM in the estates. The Rat Infestation Report for each division of each estate was found to be consistent. The report contains census data such as fresh rat attack and the application records for 1<sup>st</sup> and 2<sup>nd</sup> generation baiting. The</p>	Closed

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		<p>plied, which is inconsistent with what is done at SSII where amount of rat bait pellets applied is stated. Reports for field 94F4 of SSI showed 42 hectares applied continuously for 7 rounds each in April, May and June, while percentage uptake of rat bait as indication when rat baiting should be stopped is unclear.</p> <p>3) Summary sheets of Rat Infestation Status Reports from June – October 2015 for SSII estates shows amount of rat bait applied in May 2015 (carried forward) instead of actual amount of rat bait applied for that month, which is none. Also, rat infestation report data for month of December at SSII estate was incorrect as it was copied and pasted data from November 2015.</p>			<p>date and area of baiting is detailed as well.</p>	
RSPO00198	5.3.3 (Minor)	<p>There is evidence that the company's waste management plan is not implemented accordingly, i.e.:</p> <p>Centralized landfill for all estates have been sighted with mixed of waste. There was SOP signboard instructing segregation of waste into recycle or re-use bin and the landfill should be filled with domestic waste only however it was not segregated accordingly as instructed</p>	<p>SOP signboard for landfill has been replaced with the company's standardized SOP signboard (no instruction on segregation of waste into recycle or reuse) (Attachment 6.2).</p>	<p>Estate Management and Sustainability Executive to ensure the landfill SOP at BME and all operating unit are according with company's standardized SOP.</p>	<p>The new SOP signboard has been place at the landfill area with instruction on disposal of domestic waste only. No open burning is allowed at the landfill. Each landfill should be marked with open date and close date once it is full. Also, the emergency contact is provided in case there is an emergency</p>	Closed

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### 3.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

A total of 5 nonconformances were identified during this recertification assessment. These consisted of 2 major non-conformities and 3 minor non-conformities raised against the P&C MY-NI 2014 and zero NCRs raised against the RSPO Supply Chain Certification Standard 2014. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 60 days of completion of the assessment, and this was verified by the audit team through checks of documents and evidence submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

#### 3.3.1. Major non-conformities

It is recommended by the lead auditor to award the system of the company with a certificate pursuant to the above-mentioned RSPO standards after eliminating the non-conformities rated as "major".

NCR No.	Clause & status	Nonconformity	Auditee response		Verification result	Conclusion & Date of closure
			Correction	Corrective Action		
RSPO01036	2.1.1 (Major)	<p>1) It was found in the working contracts for all estates the following term, "It is hereby agreed that the employer is not obliged to provide for repatriation of the employee". This is clause is not in accordance with the Sabah Labour Ordinance Clause 96 "Every employee who is a party to an agreement or contract under this Ordinance shall have the right to be repatriated at the expense of the employer..." in 6 listed situations including the following which are most applicable to the company's workers, i.e.:</p> <p>(c) on the termination of the agreement or contract by reason of inability of the employee fulfil the agreement or contract owing to sickness or accident;</p> <p>(d) on the termination of the agreement or contract by notice or otherwise.</p> <p>(f) on the termination of the agreement or contract by agreement between the parties;</p> <p>There was also no evidence that costs of repatriation of workers who stopped working according with the requirements above were borne by the company.</p> <p>2) Used and contaminated cotton rags as well as chemical containers are stored in 2 trailer bins outside the Scheduled Waste store. The</p>	<p>1) The contract agreement was updated with no clause on repatriation (Attachment 2.1b) and the repatriation expenses will be guided by PMC C/R dated 2nd June 2014.</p> <p>Estate management will immediately provide repatriation expenses to employee who are eligible to be paid.</p> <p>2) Training was immediately conducted by SW Competent person En. Azizul Rahman to the new workshop executive on 10th April 2017</p> <p>Estate Management have immediately kept the chemical container/contaminated cotton rags and other schedule wastes in the proper SW</p>	<p>1) Sustainability Team / Finance Independent Team will quarterly cross-check the repatriation document for employee who are eligible to be paid.</p> <p>2) Monthly checking by SW Competent Person with Estate Personnel to ensure that all SW Store complying with Environmental Quality (Schedule Wastes) Regulations 2005.</p>	<p>The company provided samples of new contract agreements with workers which did not include any clause that the employer is not obliged to provide for repatriation of workers.</p> <p>The company also provided evidence of circular on discussion among Plantation Management Committee Members issued on 2 June 2014 rearding agreed repatriation costs for Indonesian workers of RM250. As most workers travel by land to the Kalimantan region, this cost is considered reasonable. It informed that the reason for failure to implement this circular was due to reshuffling of managers and error of new managers who did not implement this requirement to provide repatriation costs for workers returning to their home country. However from the time of the audit until verification, no workers had been repatriated to their home country, hence there was not yet implementation of this policy</p> <p>2) All scheduled wastes have now been moved into the secured store as seen from photo evidence. In addition, the company has developed a Scheduled Waste Inspection Schedule for the period of May 2017 - and August 2017</p>	<p>Closed</p> <p>Date: 16 May 2017</p>

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		trailer bins are not completely covered and also filled with oil residue. This is in contravention of Regulation 9 (1), (3) and (4) of the Scheduled Waste Regulations 2005.	store.			
RSPO01039	6.5.2 (Major)	<p>There was found a number of discrepancies with date of signing of several sampled of employment contracts of estates workers which affects the validity of contracts, e.g.</p> <p>iv) Employment contract (one page document) for the following workers were signed by workers &amp; management but no date of signing by either was stated:</p> <ul style="list-style-type: none"> <li>- Andi Mus (SSI estate)</li> <li>- Amir B. Baharuddin (SSI estate)</li> <li>- Ratna Dewi@ Ratna Wati (SSI estate)</li> <li>- Rahmah Hammadiyah (creche worker)</li> </ul> <p>v) The terms and conditions of work (2 page document) for the following workers were signed by workers &amp; management but no date of signing by either was stated:</p> <ul style="list-style-type: none"> <li>- Rusnah Cenuru (SSII sprayer)</li> <li>- Lukman Tamrin (SSII harvester)</li> <li>- Ical Zainuddin (SSII harvester) – date of manager signature only missing</li> <li>- Baharuddin Tahir (SSII harvester)</li> </ul> <p>vi) The terms and conditions of work was signed on significantly different dates for the following workers:</p> <ul style="list-style-type: none"> <li>- Amir bin Baharuddin (SSII harvester) – signed by worker on 02/01/2006, signed by manager on 14/03/2017</li> <li>- Andi Mus (SSII harvester) – signed by worker on 20 August 2014 and signed by management on 14 March 2017</li> </ul>	<p>1) Estate management will immediately insert the addendum to supersede the previous labour contract agreement.</p> <p>Company has appointed one additional Accounts Manager (with adequate knowledge of employment contract to handle the SSGOE's administration section effective from April 2017). See in Attachment 5.1b</p>	<p>1) Sustainability Team/Finance Independent team will cross-check the labour contract agreement at quarterly basis.</p>	<p>The company provided documented evidence of addendums attached to the previous contracts of the sampled workers, which have been signed and dated accordingly by the management the workers on the same date.</p> <p>Sighted also evidence of appointment of new accounts manager on 29 March 2017 who is responsible for handling of employment contracts and assurance of correct signing of dates. The effectiveness of the new PIC will be further evaluated during the next audit.</p>	<p>Closed Date: 16 May 2017</p>

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### 3.3.2 Minor non-conformities

It is recommended by the lead auditor to award the system of the company a certificate pursuant to the above-mentioned RSPO standards. The non-conformities identified shall be audited again in line with the timeframe during the next surveillance audit

NCR No.	Clause & status	Nonconformity	Auditee Action Plan		Audit team remarks (if any)
			Correction	Corrective Action	
RSPO0 1035	RSPO Certification Systems 4.2.4 (i) (Minor)	The company has not prepared any positive assurance statement based on self assessment (internal audit) to verify compliance of uncertified management unit Pelipikan Estate to the partial certification requirements as per RSPO Certification Systems 4.2.4 (e-h)	Internal audit has been conducted on the 11th – 14th April 2017 and the requirement as per RSPO Certification System 4.2.4 (e-h) are being assessed accordingly. (Attachment 1.1)	Yearly basis internal audit to be conducted at Pelipikan Estate by Sustainability Team	The company has since completed a self assessment report on compliance of Pelipikan Estate to the RSPO partial certification requirements. This is updated. Positive assurance statement is still pending and will be verified further during next audit
RSPO0 1037	2.2.2 (Minor)	Monitoring of physical markers along the legal boundaries of SSGOE estates has not been done since 2011. During the field visit to the cemetery in Block S93A6 of Sungai Segama II estate, it was observed that there was no boundary peg or stone to demarcate the boundary of the edge of the cemetery with the neighbouring local villagers land that is in the process of being cleared for the planting of oil palm.	Estate Personnel has immediately conducted boundary monitoring of physical markers along the legal boundaries of SSGOE and it was noted all boundary stone pegs as per survey plan of Jabatan Tanah Dan Ukur Negeri Sabah. (Attachment 3.1)	Estate Management will include the boundary monitoring of physical markers as their yearly basis programme.	The company provided evidence of boundary stone status monitoring reports carried out in April 2017. Evidence of boundary peg or stone to demarcate the boundary of the edge of the cemetery with the neighbouring local villagers land that is in the process of being cleared is pending and will be verified further during next audit.
RSPO0 1038	5.1.2 (Minor)	Litang village representatives interviewed informed of discharge of dark-coloured water seen in streams within the company's area in November 2016, e.g. at blocks 96B3 and blocks 96A5. It was further claimed that such discharge occurs annually and has affected the quality of Segama river which is used by the villagers for fishing, washing, etc. This was only informed to the management during meeting held in February 2017. Action taken by the company was only to do testing of the water quality and a copy of the results was provided to the village representatives. However there is no evidence that this issue was incorporated in the company's environmental management action plan for monitoring and identification of the source of the discharge to prevent recurrence. (Noted that at time of this audit, the streams were observed to show no dark coloured water)	Joint inspection by estate and mill personnel with the village representative to be conducted on 10th of the month to show the villagers that the dark coloured water is not discharged from the company but it can be the darkish decaying material washed away by rainwater. Monthly 1st Joint Inspection was conducted on the 10th May 2017 (Attachment 4.1a and 4.1b) and agreed by villager there no dark water discharged by the Company to the stream. Environmental Management plans was updated as shown in Attachment 4.1c	Quarterly checking of the inspection points by Sustainability Team.	The company provided evidence of JCC members meeting invitation to discuss the issue of the back water discharge. Members invited included village representatives, school heads, contractors and nearby shop owners. However, evidence of meeting conducted was not provided. In the company's Environmental Management Plan, improper frond stacking was identified as the likely reason for the black water due to decay of fronds. This will be investigated further through monthly joint inspections at Bukit Mas streams, to be done monthly by the estate and village representatives as per a Monthly Joint Inspection Schedule. Based on this, if the discharge is observed again, the source will be identified and necessary action taken.

**3.4 Noteworthy Positive Components and Potential for Improvement**

**Positive Observations:**

No.	Indicator	Positive Components
1.	-	Good cooperation from all HSPHB observed throughout this audit and commitment to compliance to RSPO requirements is evident with improvement observed from previous audits.
2.	4.5.1	The pheromone trap has been effectively used to trap Rhinoceros Beetles in the areas being replanted in Sungai Segama I estate
3.	6.2.3	1) The workers interviewed have shown their happiness and satisfaction since working at SSGOE. Most of their necessities and needs have been fulfilled by the employer. Few grievances was received during the interview conducted 2) Although there were several issues raised by the representatives of Litang Village, the representatives also communicated their gratitude to HSPHB for their contributions and good relationship with the community. They hope that will good relationship shall be maintained through improved communication from both parties
4.	6.5.3	1) Worker's housing observed to be maintained in good condition with adequate space for all workers. Workers are permitted to plant flowers and small crops, and any required repairs are followed up in timely manner by the company, as confirmed by all workers interviewed 2) Provision of Humana school within the company to provide basic education for children of foreign workers is ongoing as found in previous audits. Free transportation for workers' children to attend schools at SK Litang, SK Amalania & HUMANA is also provided 3) Houses of worship are provided for Muslim and Christian staff/workers
5.	6.9.1	All female workers interviewed understand various forms of sexual harassment, aware of their rights and what they should do in the event of such a harassment or violence. They are regularly briefed by the gender committee pertaining to these issues
6.	6.9.2	Reproductive rights of foreign workers are not restricted. Foreign workers are free to marry and have families, with job opportunities open to children of workers (who have reached 18 years of age)
7.	6.11.1	The company extends free medical services to the local community from Litang Village.
8.	6.13.2	Financial contribution of between RM5000 to RM6000 per year is provided to HUMANA school (depending on number of students).

**Negative Observations/ Opportunity for Improvement (OFI):**

No.	Indicator	Potential for improvement
1.	1.3	Gek Poh's Corporate Culture Document includes some information on ethical conduct, but should be elaborate further on the following: <ul style="list-style-type: none"> <li>• A respect for fair conduct of business;</li> <li>• A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources;</li> <li>• A proper disclosure of information in accordance with applicable regulations and</li> </ul>

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		<p>accepted industry practices.</p> <p>The policy should also be set within the framework of the UN Convention Against Corruption, in particular Article 12.</p>
2.	2.1.1	No SDS of Ally and Glyphosate available with the mandore at Bukit Mas Estate field site while spraying is in progress as sighted at Block 94D6.
3.	2.1.1	Written notification dated 29 June 2016 (Ref:ASSH(B)31/152/000/082 Jld 7 (35)) regarding desludging activity have been received from DOE to allowed the activity of desludging in accordance to Section 18(1), of the Environmental Quality Act 1974. DOE has requested the mill to send the pictorial report about the activity of de-sludging after work completed in 2 weeks. This will be follow up during next surveillance audit
4.	2.2.2	It would be better if GPS coordinates are taken and recorded for the physical markers for the estate boundaries especially for the markers listed in the land title.
5.	2.2.3	With regards to the resolved land issue between the company and Mr. Hamsah, it was found from interview with Mr. Hamsah that he had indeed reached an agreement with the company on the use of land, however a copy of the signed agreement letter dated 21 April 2016 on the use of land was not provided to him
6.	4.3.3	Observed that there is a large sinkhole in the road at block 96B3 which poses a safety risk and should be repaired immediately.
7.	4.5.1	Although the rat baiting is currently done according to a fixed programme, the census data should still be accurately recorded. It was observed that the census data for Blocks S95C5 and S95C7 for January to March 2017 appears to have been copied and pasted as it is exactly identical.
8.	4.6.5	Although the MSDS/CSDS for some chemicals are still below 5 years, it would be better for the mill and estates to obtain the latest SDS that is in accordance to the CLASS 2013 regulations that is yet to be made available by the suppliers.
9.	4.6.5	Bukit Mas mill should also place the SDS for Hexane and IPA in the store (other than the lab) as these chemicals are stored in the mill store and the storekeepers need to be aware of the precautions to be taken in handling these chemicals.
10.	4.7.4	There are reports of high number of stray dogs during each Safety & Health Committee meeting at the estates and at the mill. The company is strongly encouraged to implement humane management of this issue such as engaging a vet for sterilization program of the strays
11.	5.2.1	It would be better if a revision list detailing the changes made to the HCV Assessment Report is made as a means of tracking the changes and updates made to this document
12.	5.2.1	It would be better if the total area in hectares of the riparian reserves and the water catchment area near Bukit Kibos listed as HCV areas be calculated and stated in the HCV Assessment Report.
13.	6.2.3	One issue raised by the Hamsah Lahinta at the Joint Consultative Committee meeting on 13 February 2017, namely floating fronds and fruits which was alleged to destroy fishing nets (" <i>pukat</i> ") belonging to the local community was not captured in the Appendix 8 "Summary of social impact assessment at SSGOE and BPOM", this leaving this issue out from any improvement plan, person responsible and timeframe to address it.
14.	6.5.1	<p>1) As found in previous audits, the company is deducting from worker's pay for replacement of tools, e.g. harvesting knives, slashing knives, wheelbarrows (for harvesters), safety helmets and tall safety shoes (for mill workers). While this is permitted as seen in permit for deductions from the Sabah Labour Department and informed that this is implemented to ensure workers take proper care of their tools, ideally workers should not be deducted for work equipment. This may result in safety issues if workers choose not to replace faulty tools &amp; safety boots to reduce deductions, or workers purchase cheaper equipment elsewhere which does not meet minimum safety &amp; quality requirements.</p> <p>2) Several mills workers interviewed informed of incidences where their overtime hours worked as stated on their punch cards are not consistent with overtime hours stated on</p>

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		<p>their pay slips.</p> <p>3) Mill workers were also unsure of how their overtime pay is calculated (overtime payment was checked and confirmed to be correct).</p> <p>4) The company should look into improving the payslip system by ensuring that previously generated pay slips cannot be revised</p>
15.	6.5.2	<p>i) From sampled contracts of employment sighted for the mill and estate workers, the following was found:</p> <ul style="list-style-type: none"> <li>• Signed contracts of employment form for estate workers are not attached directly with terms and conditions of work, which are signed by workers and management as a separate document. For mill workers, only signed agreement to terms and conditions of work were sighted but not employment contract form as seen for estate workers</li> <li>• Amendments to contracts, e.g. increase in basic salary, termination notice periods are amended directly in existing contracts by hand (with signature acknowledgment by management), instead of a new document stating revised contract terms being provided to workers.</li> </ul> <p>ii) Several estate workers interviewed are under the impression that they are not entitled to any paid annual leave, although paid annual leave entitlement is stated in their terms of employment.</p>
16.	6.5.3	<p>1) Workers interviewed that water supply is now provided based on certain timing, i.e. for staff, water is supplied from 6pm to 9 pm and 5am to 7am daily, while for workers, water is supplied from 4 – 6pm only once every two days. This timing has been ongoing since a drought period about a year ago and still continuing. While some say this is sufficient for their use, some workers and staff request that the water supply be made continuous like previously or at least the hours be increased.</p> <p>2) Mill workers interviewed informed that they believe they are not allowed to send their children to the company crèche. This was also informed by the crèche worker. This understanding is however not consistent with management's information that the crèche is actually open to all worker's children. This has resulted in several mill workers engaging private babysitting services causing them to incur unnecessary expenses.</p>
17.	6.6.2	<p>i) From management and worker interviews it was informed that the JCC members are selected by the management and not elected by the workers.</p> <p>ii) Some workers interviewed informed that the JCC members do not regularly hold meetings with workers to get feedback on issues or to provide feedback on meetings with workers.</p>
18.	6.7.1	<p>1) The company's minimum working age is not specifically defined in company's Child Labour policy dated 2 January 2017. Requirement to hire workers only 18 years and above is only stipulated in a memo to all managers dated 15 December 2011.</p> <p>2) From masterlists of workers from the mill and estates, it was confirmed all workers were hired at 18 years old or above, except for one case of worker named Rais Raman (Worker Serial No 82142) whose was found to have been hired on 21 January 2013 when he was 16 years old (date of birth as per passport: 24 March 1997). As the worker is now 20 years old at the time of this audit, this was noted as an observation.</p>
19.	6.9.1	<p>Pertaining to communication of the company's procedure to prevent sexual harassment and violence, there are opportunities for improvement as noted below:</p> <p>iii) It should be ensured that male workers/staff are informed not only to avoid engaging in sexual harassment/violence but also that they can also utilize the grievance mechanism for sexual harassment should they be affected. In addition, some male workers interviewed were not aware of what sexual harassment means and what constitutes the same. Only one record of a muster briefing on 6 December 2016 at Bukit Mas Estate that mentioned sexual harassment was sighted.</p> <p>iv) As there may be a unemployed teenage girls who are children of workers living with the company area, the company should ensure they attend gender committee briefings as well, not only workers</p>



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20.	6.12.1	While some foreign workers are agreeable with the company retaining their passports for security purposes, some workers informed that they prefer to keep their own passports in order to avoid harassment by local police while in town and in case of emergencies on weekends. Some have been forced by the police to pay up to RM500 to avoid being detained for not carrying their passports.
21.	SCCS D.3.1	It would be better if the documents that are attachments to the SOP for traceability (SOP/COC/001 to SOP/COC/005) are attached together with the SOP instead of just having them in loose papers separately.

### 3.5 Issues Raised by Stakeholders and Findings Pertaining to Issues

#### A) Issues Raised during Stakeholder Consultation Meeting

No.	Issues Raised	Management Response	Audit Verification
1.	Sabah Labour Department: HSPHB has no ongoing legal issues pertaining to labour. However, the company must ensure any major accidents which occur are reported to the Labour Department within 7 days. Previously it was found the company did not report such accidents within the required timeframe, but now the company is meeting the timeframe	<p>The issue shall be closed since JTK have confirmed that the management have taken action and is meeting timeframe now.</p> <p>Corrective action to avoid recurrence.</p> <p>i) Estate's Administration Executive/ Coordinator to yearly conduct the refresher training on Accident Reporting Procedure to the Office Clerk in-charge of accident.</p> <p>ii) Joint monthly checking will be conducted by Estate Manager and Hospital Assistant to ensure no missed-out in the Accident Reporting to JTK and JKKP..</p>	It was confirmed that reporting of any accidents to the Labour Department are done within 7 days as required.
2.	The company has been limiting water supply to offices of staff and workers to certain hours, i.e. 5am – 7am and 6pm-9pm for several months. This was started during a drought period, but is still being continued even though now water supply is adequate. It is requested that water be supplied continuously as before	<p>Based on the treated water pumping of about 400,000 litre per day to the housing area (with about 1,000 to 1,500 employees/workers + dependents) and one unit 400 gallon rain water tank per house, the water supply is far enough against the WHO bench marking of 165 litre water per person per day and Sabah State water consumption of average 109 litre water per person per day.</p> <p>With the adequate water supply against WHO recommendation and in line with the RSPO P&amp;C, DOE requirement and Government emphasize to create prior awareness/habit of the community to reduce water wastage (in view of the rainfall pattern was</p>	Even though the time when water is supplied is limited, the water is stored in water tanks at each respective worker's house and for most families, is adequate. Of course, it would be better if there were not such restrictions on the usage time of water.

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		shifted with lower downpour since 2010) and GHG emission (via water pump house), SSGOE do not practising water be supply continuously now.	
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### B) Issues Raised during Stakeholder Interviews On-site

No.	Issues Raised	Management Response	Audit Verification
<b>Feedback from workers</b>			
1.	Several mills workers interviewed informed of incidences where their overtime hours worked as stated on their punch cards are not consistent with overtime hours stated on their pay slips.	<p>As per POM procedure, worker will make prior request on the OT hours needed for the task assigned and only can proceed for the requested overtime after the approval is obtained from management. Then, payment of OT will be made as per approved OT hours requested by workers instead of punch card hours.</p> <p>This is to comply Sabah Labour Ordinance by avoiding shift workers to work more than 12 hours in any 1 day using own punch card without management permission.</p>	This claim could not be confirmed by the audit team due to lack of time and verification of other matters. This was noted as an observation.
2.	Some foreign workers informed that they prefer to keep their own passports in order to avoid harassment by local police while in town and in case of emergencies on weekends.	Keeping foreign worker passport by the management is as per written concern signed by workers that requesting management to save keeping their passport.	The current practice is for the company to retain the passports of foreign workers. This workers' request was discussed with the management who have agreed to look at the possibility of allowing the workers to keep their own passports.
3.	Inordinate delay in responding to house repair works requests. E.g. Leaking ceiling, front door knob spoilt, still not has not been attended to after more than 3 months.	After re-check the house repair requisition form by independent Sustainability Team on 17.4.17, all house repairs were attended within 2 weeks as per company grievance procedure. The mentioned inordinate delay occurred might due to the workers do not submit the house repair requisition form to the management.	The claim could not be verified as this complaint was received quite late into the audit agenda. Company should continue to monitor.

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4.	Inadequacy of medicines at the clinic. Sometimes clinic run out of stock of medicines.	There is no such inadequacy for the common/mostly used medicine in estate as the medicine is closely monitored by the Purchasing Department.	During site visit to the clinic, stock of medicines were observed, however, due to the general nature of this complaint, there was not further information on which particular medication was insufficient, and hence the claim could not be confirmed.
<b>Feedback from Litang village representatives</b>			
5.	The head of Litang Village claimed that one of his male family members who was a field checker for the company, as well as his wife who was an office clerk were both wrongfully dismissed with warning letters by the company in early 2016, while another female family member who also worked as a company clerk resigned due to verbal scolding by a manager in front of other staff. The village head has complained regarding the matter directly to the company's top management without any follow up.	The explanation and evidence was shown by Sr Manager (Personnel & Administration Department) and accepted by TUV-Rheinland auditor on 30 <sup>th</sup> March 2017 that the claim of the village Head was not true.	The company's Personnel & Administrative (P&A) department head explained that this male relative of the village head was found to have carried out several instances of misappropriation of company funds, as well as other disciplinary issues. Misappropriation of funds is considered criminal breach of trust and hence no warning letters were provided, instead the company conducted a domestic inquiry on 8 January 2016 prior to termination of the worker on the same day. His wife was not terminated by the company, but resigned on 9 January 2016 as seen from a copy of her resignation letter. Regarding the village head's other female family member who resigned due to scolding, the village head named the manager in question. The audit team interviewed other estate staff who work under this particular manager but there were no other complaints of excessive verbal harassment from this particular manager. The P&A head who was aware of this issue informed that the female clerk who resigned was an emotionally sensitive person and also did not report the issue through the company's grievance mechanism although she was aware of it. Based on this verification, the audit team does not see the claims of the village head as substantiated.
6.	Litang village representatives interviewed informed of discharge of dark-coloured water seen in streams within the company's area in November 2016, e.g. at blocks 96B3 and blocks 96A5. It was fur-	There were no such annual discharges - as final effluent discharge is 100% to land irrigation as DOE regulation.	The village representative was able to show several photos of contaminated streams within the estate area taken on 13 November 2016, and brought the auditors to the streams

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	<p>ther claimed that such discharge occurs annually and has affected the quality of Segama river which is used by the villagers for fishing, washing, etc. This was informed to the management during meeting held in February 2017. The company responded by conducting a water sample analysis which was provided to the village representatives and showed the water quality is good. However, this action is deemed inadequate by the village representatives</p>	<p>November/December 2016 normally is the higher rainfall months where dark coloured water could be due to other factor such as darkish decaying palm frond/vegetation/organic matter in the fields, etc. that tend to be flushed away by the flood/flash flood water.</p>	<p>during this audit. It was observed that due to increased rainwater, the water quality was not black but only murky. In addition, the villagers confirmed that they did not inform the company management immediately, but only reported this issue to the management in February 2017, hence the management did not observe the black water discharge and it is hence difficult for the company to identify the source of the discharge after the fact. Action taken by the company was only to do testing of the water quality and a copy of the results was provided to the village representatives. However, the company's environmental management action plan was reviewed, but did not include any action plan to follow up on this complaint through monitoring and identification of the source of the discharge to prevent recurrence. This was raised as a nonconformity.</p>
<p>7.</p>	<p>It is requested that the management prioritize hiring of their villagers rather than foreign workers, especially as security guards at entry gates, as they feel locals will be more diligent in ensuring security at the gate between Litang village and SSGOE. This is also because villagers find it hard to get jobs. They also requested that the management allocate a guard at night at the gate between the village and the company estate area as now since there is no night guard, the gate is left open and there have been incidences of unknown outsiders entering the village distributing drugs as well as thefts of motorcycles. They suggested that no night is stationed there then the village representatives should be provided with a gate key.</p>	<p>Any job vacancy of HSP always be given priority to the local community but the application of security from local villagers is really not encouraging (due to shift/uncertain working hours of security guard).</p> <p>The guard house between the village and HSP is mainly to avoid unknown outsiders from Kinabatangan area entering HSP through village as the outsiders from Jeroco area was tightly checked by 3 main entrance of HSP before reach village and it shall not create any theft issue of unknown outsider from Jeroco area/HSP. Therefore, the villager is advisable to fix own guard house at their Kinabatangan entrance to village to avoid theft incidence.</p>	<p>The request for hiring local villagers was brought up to the company's attention, which the company noted.</p>

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8.	There have been incidences where villagers entering the village who are not recognized by the company guards are charged RM10 by the guards to enter. This includes those who have letters from the village head as evidence that they are residents of Litang Village. Only villagers that are recognized by the guards are not charged.	The company only giving “no entrance charge” for the confirmed existing resident (who currently lives on a long-term basis in Kg. Litang) as part of our CSR contribution to the existing resident of surrounding village. The previous resident of Kg Litang is still need to pay (although with letters from village head) as they have migrated to other place and just come to Kg. Litang on visiting basis.	Based on company’s clarification, the company should communicate this reason to the village head and discuss any further issues on the matter with them to reach an amicable solution.
9.	The level of communication and cooperation from mill and estate management varies depending on the person when managers are changed. They hope that this can be improved such that communication and assistance is consistent.	The communication will be further improved with consistent/frequent JCC meeting (at the level of Head of Department and General Manager) in the presence/witness of the newly recruited RSPO Officer.	This comment was noted by the company.
10.	Previously the company assisted the village by maintaining their field and roads to the school. However, the company is no longer providing such assistance and currently have no CSR contributions to the village. They hope that the company can provide such assistance like before	Such request shall be made in written form then will be processed by estate management for approval from top management and this message was frequently convey to the villager during the JCC meeting/visit to village.  In additions, this was also admitted by villagers that they were overlook to provide such written request during RSPO audit.	There have been a few CSR contributions to the village such extending the SSGOE medical facilities to the villagers at no cost. Further contributions include supplying water to the school during the drought season in August 2016.
11.	Some villagers who work for the company have complained that there are company assistants that verbally degrade them, e.g. by calling them lazy or other insults.	The villagers shall complain through proper “Borang Aduan” as per company grievance procedure as emphasized by RSPO instead of verbal complaint that will create unhealthy rumor.  In additions, the villager also unable to shown solid evidence to the TUV-Rheinland auditor at the time of stakeholder interview.	This claim was not corroborated by other staff during interview sessions. Manager’s comment on work performance may have been misconstrued as verbal abuse.
12.	During drought season, the company extracts water from Sg.	The villagers shall complain through proper “Borang	When questioned, the company claimed that they have

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	<p>Segama river. No filter is used during this process, hence fish and prawns are sucked up and killed, which reduces the livelihood of the village fishermen.</p>	<p>Aduan” as per company grievance procedure as emphasized by RSPO instead off verbal complaint that will create unhealthy rumor.</p> <p>In additions, the villager also unable to shown solid evidence to the TUV-Rheinland auditor at the time of stakeholder interview.</p>	<p>not extracted any water from the river before and only extract water from a water catchment within the estate area. The audit team had requested the village representatives to show them the physical location of this extraction point, but the village representatives were not available to do so. This claim is hence unverified.</p>
13.	<p>The company has previously informed, including with a letter from the previous company manager, that they will provide new water tanks for villagers to store water. However there has been no follow up on this promise.</p>	<p>There are no records of request or copy of letter regarding new water tanks for villagers to store water. The villager shall show the copy of letter for management follow up instead of verbal complaint that will create unhealthy rumor as not emphasized by RSPO.</p> <p>In additions, the villager also unable to shown solid evidence to the TUV-Rheinland auditor at the time of interview.</p>	<p>The current management is not aware of this claim and will request the JKKK of Kg Litang to produce that letter for verification.</p>
14.	<p>There a claims that the company clinic used to provide free medical assistance to villagers but no longer do so</p>	<p>The current practice are continued to provide free medical assistance to villagers.</p>	<p>Interview with the clinic Health Assistant confirms that this is not true as free medical facilities and medicines are still bring provided free of charge to the villagers from Kg Litang.</p>
15.	<p>There is complaint from both company workers and the village representatives that the company’s procedures for exiting the company area at night have been tightened so much that there were cases of people who passed away during emergencies due to long wait for management approval. Workers claimed such a case in SSGOE where a worker who had an accident at night passed away because of a long wait for the manager’s permission to leave the company area. While the village representatives informed of a resident of Tidung village who suffered from asthma and passed away because he was unable to quickly exit from the area of Tomonggong.</p>	<p>Emergency accident/sickness always immediately attended by company Ambulance when requested and long wait for management approval of shall not occur.</p>	<p>For both instances, the workers and villagers interviewed did not provide the names of these claimed deceased persons. Further verification at the estate clinic showed that medical personnel were not aware of any such cases at SSGOE, and there did not seem to be any evidence of cover up. While the case of the Tidung villager was claimed to have occurred at Tomonggong group of estates, which is not under the scope of this audit. Hence this claim could not be verified.</p>

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### 3.6 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client

It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of Hap Seng Plantations Holdings Bhd.

HAP SENG PLANTATIONS (RIVER ESTATES) SDN. BHD.  
(Company No. 40531-P)

Name: KEE KEOW CHONG  
Position: Chief Agronomist  
Date: 9-8-2017

Signed on behalf of PT TUV Rheinland Indonesia

.....  
Name: Carol Ng Siew Theng  
Position: Lead Auditor  
Date: 9 August 2017

## APPENDICES

### Appendix 1: Details of Certificate

# Certificate

**Standards:** **RSPO Principles & Criteria for Sustainable Palm Oil Production Malaysian National Interpretation: 2014**  
**RSPO Supply Chain Certification Systems: November 2014**

Certificate Registr. No. : 824 502 14016

**Certificate Holder :** PT TUV Rheinland Indonesia certifies :  
**Sg. Segama Group of Estates & Bukit Mas Palm Oil Mill, Hap Seng Plantations (River Estates) Sdn Bhd**  
Off 40 km, Jalan Jeroco, Lahad Datu, Sabah, Malaysia  
and its company owned estates according to the annex

**RSPO number:** -


**Scope :** Palm Oil Production and Plantation Management System  
An audit was performed, Report No. RA\_14016. Proof has been furnished that the requirements according to RSPO Principles & Criteria for Sustainable Palm Oil Production Malaysian National Interpretation: 2014 are fulfilled.

**Validity:** The due date for all future surveillance audits is 24-03 (dd.mm).  
The certificate is valid from 24 May 2017 until 23 May 2022  
The certificate shall remain valid for the period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.

**RSPO registered parents company\* :** Hap Seng Plantations Holdings Bhd  
(RSPO Member No. : 1-0098-11-000-00)

\* Name of the RSPO registered member company of which the certificate holder is a subsidiary

Date of first certificate : May 24, 2012

  
PT TUV Rheinland Indonesia  
Director

Indonesia, 23-08-2017

Note: Certificate no. 18501830 001 dated 24<sup>th</sup> May 2012 previously issued by TUV Rheinland Malaysia Sdn. Bhd. is no longer valid. The certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above-mentioned data. Only an original and signed certificate is valid.

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# Annex to certificate

Standards: **RSPO Principles & Criteria for Sustainable Palm Oil Production Malaysian National Interpretation: 2014**  
**RSPO Supply Chain Certification Systems: November 2014**

Certificate Registr. No.: 824 502 14016

Location: **Sg. Segama Group of Estates & Bukit Mas Palm Oil Mill,**  
 Address: **Hap Seng Plantations (River Estates) Sdn Bhd**  
 Off 40 km, Jalan Jeroco, Lahad Datu, Sabah, Malaysia

The palm oil mill and supply base covered in certification scope are :

Name of Mill / Estate	Location	GPS Locations	
		Latitude	Longitude
Bukit Mas (BM) Palm Oil Mill	Jln. Jeroco, Lahad Datu, Sabah	5° 20' 14.281" N	118° 28' 25.104" E
Bukit Mas (BM) Estate	Jln. Jeroco, Lahad Datu, Sabah	5° 19' 01.928" N	118° 27' 46.294" E
Sungai Segama I (SSI) Estate	Jln. Jeroco, Lahad Datu, Sabah	5° 19' 02.421" N	118° 27' 47.331" E
Sungai Segama II (SSII) Estate	Jln. Jeroco, Lahad Datu, Sabah	5° 19' 02.421" N	118° 27' 47.331" E


CPO Tonnage Total Production\*: 39,840 tonnes  
 PK Tonnage Total Production\*: 10,006 tonnes  
 Company Estates FFB Tonnages\*: 158,303 tonnes  
 FFB Tonnages from other sources\*: 30,000 tonnes  
 CPO Tonnage claimed for certification: 34,030 tonnes  
 PK Tonnage claimed for certification: 8,547 tonnes

\* Projected data for 2017

Supply Chain model :  Identity Preserved  
 Mass Balance

Indonesia, 23-08-2017

Issued by PT TUV Rheinland Indonesia

  
 PT TUV Rheinland Indonesia  
 Director

# RSPO Recertification Public Summary Report

- Sg. Segama Group of Estates, Hap Seng Plantations (River Estates) Sdn. Bhd., Lahad Datu Malaysia



## Appendix 2: Recertification Audit Plan

Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
<b>Sunday, 26 March 2017</b>	All auditors travel to Tawau: <b>CN, AZ, RZ:</b> <b>AK5740 1540 (KUL) - 1830 (TWU)</b>  <b>VP</b> <b>MH3095 1610 (SDK) – 1650 (TWU)</b>  Travel to client site (4 hours)	Carol Ng (CN), Viknesvaran Paramasivan (VP), Azizan Zakaria (AZ), Rahayu Zulkifli (RZ)		
<b>Monday, 27 March 2017 – Plantation Central Office (PCO) &amp; Estates Main Office</b>				
8.00am-9.00am	<b>Opening meeting</b> - Introduction by audit team leader - Update on estates and mill processes by respective managers - Discussion on previous audit findings	CN, VP, AZ, RZ	Top Management and Related Managers	
9.00am – 12.00pm	<b>Overall Document Review</b> <b>Estate production data</b> <ul style="list-style-type: none"> <li>Area statements</li> <li>FFB supply information</li> <li>Replanting program (if any)</li> </ul> <b>Commitment to Transparency &amp; All Social Aspects (workers, local communities, communication, CSR)</b> <ul style="list-style-type: none"> <li>Request for information</li> <li>Code of Business Conduct</li> <li>Boundary Stones</li> <li>Workers/ Contractor interviews &amp; personnel records</li> <li>Labour policies</li> <li>Trade union representatives &amp; records</li> <li>Housing</li> <li>Local communities</li> <li>Communication &amp; consultation procedures/ complaints</li> <li>Social Impact Assessment &amp; Management</li> <li>Contracts</li> <li>Working hour &amp; overtime records, pay slips</li> <li>Gender committee, sexual harassment and reproductive rights</li> <li>Human rights</li> <li>SEIA for New Plantings (if applicable)</li> </ul> <b>Legal Requirements, Economic Viability, Best Practices, Chemical Management, High Conservation Value (HCV) Areas</b>	CN & RZ	Relevant Personnel	<b>RSPO</b> Principle 1: CR1.1, 1.2, 1.3 Principle 2: CR2.1 (social), 2.2, 2.3 Principle 6: CR6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 Principle 7 (if applicable): CR7.1 (social), 7.5 & 7.6 Principle 8: CR8.1 (social)
		VP	Relevant Personnel	<b>RSPO</b> Principle 2: CR2.1 (OSH) Principle 3: CR3.1 Principle 4: CR4.1, 4.2, 4.3,

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Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Ab-brev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
	<ul style="list-style-type: none"> <li>• Legal requirements register and legal updates monitoring procedures</li> <li>• Compliance to legal requirements (OSH)</li> <li>• Field operations (spraying, harvesting, manuring)</li> <li>• SOPs &amp; Internal audit</li> <li>• Management plan &amp; replanting program</li> <li>• Soil fertility &amp; management (sloped areas, marginal soils, peat areas, EFB application, etc)</li> <li>• Water management plan &amp; river protection</li> <li>• Integrated pest management</li> <li>• High Conservation Value assessment and management</li> <li>• Use of fire for replanting (if applicable)</li> </ul>			4.4, 4.5, 4.6 Principle 5: CR5.2, 5.5 Principle 7 (if applicable): CR7.2, 7.3, 7.4, 7.7 Principle 8: CR8.1 (FFB optimization & pesticides)
	<b>Environment, GHG, OSH, Training, Legal Requirements</b> <ul style="list-style-type: none"> <li>• Legal requirements (environment)</li> <li>• EIA/ Aspects Impacts analysis</li> <li>• Waste management</li> <li>• GHG analysis and management</li> <li>• Energy efficiency monitoring and records</li> <li>• SEIA &amp; GHG monitoring for new plantings (if applicable)</li> <li>• HIRARC</li> <li>• OSH Committee &amp; safety records</li> <li>• Accident records</li> <li>• Training &amp; PPE issuance</li> <li>• Continuous improvement plan</li> </ul>	AZ	Relevant Personnel	<b>RSPO</b> Principle 2: CR2.1 (OSH & Environment) Principle 4: CR4.7, 4.8 Principle 5: CR5.1, 5.3, 5.4, 5.6 Principle 7 (if applicable): CR7.1, 7.8 Principle 8: CR8.1 (Environment)
12.00pm – 1.00pm	<b>Lunch</b>			
1.00pm – 2.00pm	<b>Preparation for stakeholder consultation</b>	CN, VP, AZ, RZ	Relevant Personnel, Stakeholders	Relevant personnel to assist with setting up projector, microphone and meeting room at PCO for presentation to 20-40 participants
2.00pm – 5.00pm	<b>Stakeholder Consultation</b> <ul style="list-style-type: none"> <li>• Introduction/welcome note</li> <li>• Presentation by TUV Rheinland on RSPO &amp; purpose of meeting</li> <li>• Open discussion with stakeholders</li> <li>• Stakeholder survey forms</li> </ul>	CN, VP, AZ, RZ	Relevant Personnel, Stakeholders	Representative(s) from SSGOE may give welcome note to stakeholder consultation participants. After which all SSGOE personnel shall not be present during the discussion with stakeholders, except worker/union representatives, gender committee members & other relevant selected personnel
5.00pm	<b>End of Day 1</b>			

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Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
<b>Tuesday, 28 March 2017 – Bukit Mas Mill</b>				
8.00am – 12.00pm	<p><b>Mill supply base &amp; production records</b></p> <ul style="list-style-type: none"> <li>• FFB reception records</li> <li>• CPO &amp; PK production records</li> <li>• OER &amp; KER</li> </ul> <p><b>Commitment to Transparency &amp; All Social Aspects (workers, local communities, communication, CSR)</b></p> <ul style="list-style-type: none"> <li>• Request for information</li> <li>• Code of Business Conduct</li> <li>• Workers/ Contractor interviews &amp; personnel records</li> <li>• Labour policies</li> <li>• Trade union representatives &amp; records</li> <li>• Housing</li> <li>• Local communities</li> <li>• Communication &amp; consultation procedures/ complaints</li> <li>• Social Impact Assessment &amp; Management</li> <li>• Contracts</li> <li>• Working hour &amp; overtime records, pay slips</li> <li>• Gender committee, sexual harassment and reproductive rights</li> <li>• Human rights</li> <li>• Mill visit (as required)</li> </ul>	CN & RZ	Mill manager/ assistants	<p><b>RSPO</b></p> <p>Principle 1: CR1.1, 1.2, 1.3 Principle 2: CR2.1 (social), 2.2, 2.3 Principle 6: CR6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13 Principle 8: CR8.1 (social)</p>
	<p><b>Supply Chain audit</b></p> <ul style="list-style-type: none"> <li>• Document review.</li> <li>• Review of supply chain management system</li> <li>• Check of supply chain related documentation</li> <li>• Interviews with supply chain personnel</li> </ul> <p><b>Legal Requirements, Economic Viability, Best Practices, Chemical Management</b></p> <ul style="list-style-type: none"> <li>• Legal requirements register and legal updates monitoring procedures</li> <li>• Compliance to legal requirements (OSH)</li> <li>• Mill operations</li> <li>• Worker interviews</li> <li>• Stores &amp; workshops</li> <li>• SOPs &amp; Internal audit</li> <li>• Management plan</li> <li>• Water management plan</li> <li>• Mill visit (as required)</li> </ul>	VP	Mill manager / assistants	<p>Supply Chain Certification <b>Supply Chain Certification Standard 2014</b> Module E – CPO Mills: Mass Balance</p> <p><b>RSPO</b></p> <p>Principle 2: CR2.1 (OSH) Principle 3: CR3.1 Principle 4: CR4.1, 4.4, 4.6 Principle 8: CR8.1 (FFB optimization)</p>
	<b>Environment, GHG, OSH, Train-</b>	AZ	Relevant Per-	<b>RSPO</b>

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Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Ab-brev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
	<b>ing, Legal Requirements</b> <ul style="list-style-type: none"> <li>• Legal requirements (environment)</li> <li>• EIA/ Aspects Impacts analysis</li> <li>• Waste management</li> <li>• GHG analysis and management</li> <li>• Energy efficiency monitoring and records</li> <li>• HIRARC</li> <li>• OSH Committee &amp; safety records</li> <li>• Accident records</li> <li>• Training &amp; PPE issuance</li> <li>• Continuous improvement plan</li> <li>• Mill visit (as required)</li> </ul>		sonnel	Principle 2: CR2.1 (OSH & Environment) Principle 4: CR4.7, 4.8 Principle 5: CR5.1, 5.3, 5.4, 5.6 Principle 8: CR8.1 (Environment)
12.00pm – 1.00pm	<b>Lunch</b>			
1.00pm – 5.00pm	<b>Continue mill document review for Supply Chain and P&amp;C</b>	CN, VP, AZ, RZ	Mill manager / assistants	
5.00pm	<b>End of Day 2</b>			

**Wednesday, 29 March 2017 – Sungai Segama 1 & 2 Estates**

8.00am – 12.00pm	<b>Estate production data</b> <ul style="list-style-type: none"> <li>• Area statements</li> <li>• FFB supply information</li> <li>• Replanting program (if any)</li> </ul> <b>Commitment to Transparency &amp; All Social Aspects (workers, local communities, communication, CSR)</b> <ul style="list-style-type: none"> <li>• Request for information</li> <li>• Code of Business Conduct</li> <li>• Boundary Stones</li> <li>• Workers/ Contractor interviews &amp; personnel records</li> <li>• Labour policies</li> <li>• Trade union representatives &amp; records</li> <li>• Housing</li> <li>• Local communities</li> <li>• Communication &amp; consultation procedures/ complaints</li> <li>• Social Impact Assessment &amp; Management</li> <li>• Contracts</li> <li>• Working hour &amp; overtime records, pay slips</li> <li>• Gender committee, sexual harassment and reproductive rights</li> <li>• Human rights</li> <li>• SEIA for New Plantings (if applicable)</li> <li>• Field visit (as required)</li> </ul>	CN & RZ	Estate manager / assistants	<b>RSPO</b> Principle 1: CR1.1, 1.2, 1.3 Principle 2: CR2.1 (social), 2.2, 2.3 Principle 6: CR6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 Principle 7 (if applicable): CR7.1 (social), 7.5 & 7.6 Principle 8: CR8.1 (social)
	<b>Legal Requirements, Economic Viability, Best Practices, Chem-</b>	VP	Estate manager / assistants	<b>RSPO</b> Principle 2: CR2.1 (OSH)

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Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
	<p><b>ical Management, High Conservation Value (HCV) Areas</b></p> <ul style="list-style-type: none"> <li>• Legal requirements register and legal updates monitoring procedures</li> <li>• Compliance to legal requirements (OSH)</li> <li>• Field operations (spraying, harvesting, manuring)</li> <li>• Worker interviews</li> <li>• Chemical stores &amp; workshops</li> <li>• SOPs &amp; Internal audit</li> <li>• Management plan &amp; replanting program</li> <li>• Soil fertility &amp; management (sloped areas, marginal soils, peat areas, EFB application, etc)</li> <li>• Water management plan &amp; river protection</li> <li>• Integrated pest management</li> <li>• High Conservation Value assessment and management</li> <li>• Use of fire for replanting (if applicable)</li> <li>• Field visit (as required)</li> </ul>			Principle 3: CR3.1 Principle 4: CR4.1, 4.2, 4.3, 4.4, 4.5, 4.6 Principle 5: CR5.2, 5.5 Principle 7 (if applicable): CR7.2, 7.3, 7.4, 7.7 Principle 8: CR8.1 (FFB optimization & pesticides)
	<p><b>Environment, GHG, OSH, Training, Legal Requirements</b></p> <ul style="list-style-type: none"> <li>• Legal requirements (environment)</li> <li>• EIA/ Aspects Impacts analysis</li> <li>• Waste management</li> <li>• GHG analysis and management</li> <li>• Energy efficiency monitoring and records</li> <li>• SEIA &amp; GHG monitoring for new plantings (if applicable)</li> <li>• HIRARC</li> <li>• OSH Committee &amp; safety records</li> <li>• Accident records</li> <li>• Training &amp; PPE issuance</li> <li>• Continuous improvement plan</li> <li>• Field visit (as required)</li> </ul>	AZ	Estate manager / assistants	<p><b>RSPO</b></p> Principle 2: CR2.1 (OSH & Environment) Principle 4: CR4.7, 4.8 Principle 5: CR5.1, 5.3, 5.4, 5.6 Principle 7 (if applicable): CR7.1, 7.8 Principle 8: CR8.1 (Environment)
12.00pm – 1.00pm	<b>Lunch</b>			
1.00pm – 5.00pm	<b>Document review</b>			
5.00pm	<b>Continue document review for all P&amp;C</b>	CN, VP, AZ, RZ	Estate manager / assistants	
5.00pm	<b>End of Day 3</b>			
<b>Thursday, 30 March 2017 – Bukit Mas Estate</b>				
8.00am – 12.00pm	<p><b>Estate production data</b></p> <ul style="list-style-type: none"> <li>• Area statements</li> <li>• FFB supply information</li> <li>• Replanting program (if any)</li> </ul> <p><b>Commitment to Transparency &amp;</b></p>	CN & RZ	Estate manager / assistants	<p><b>RSPO</b></p> Principle 1: CR1.1, 1.2, 1.3 Principle 2: CR2.1 (social), 2.2, 2.3 Principle 6: CR6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9,

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Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
	<p><b>All Social Aspects (workers, local communities, communication, CSR)</b></p> <ul style="list-style-type: none"> <li>• Request for information</li> <li>• Code of Business Conduct</li> <li>• Boundary Stones</li> <li>• Workers/ Contractor interviews &amp; personnel records</li> <li>• Labour policies</li> <li>• Trade union representatives &amp; records</li> <li>• Housing</li> <li>• Local communities</li> <li>• Communication &amp; consultation procedures/ complaints</li> <li>• Social Impact Assessment &amp; Management</li> <li>• Contracts</li> <li>• Working hour &amp; overtime records, pay slips</li> <li>• Gender committee, sexual harassment and reproductive rights</li> <li>• Human rights</li> <li>• SEIA for New Plantings (if applicable)</li> <li>• Field visit (as required)</li> </ul>			<p>6.11, 6.12, 6.13                      Principle 7 (if applicable):                      CR7.1 (social), 7.5 &amp; 7.6                      Principle 8: CR8.1 (social)</p>
	<p><b>Legal Requirements, Economic Viability, Best Practices, Chemical Management, High Conservation Value (HCV) Areas</b></p> <ul style="list-style-type: none"> <li>• Legal requirements register and legal updates monitoring procedures</li> <li>• Compliance to legal requirements (OSH)</li> <li>• Field operations (spraying, harvesting, manuring)</li> <li>• Worker interviews</li> <li>• Chemical stores &amp; workshops</li> <li>• SOPs &amp; Internal audit</li> <li>• Management plan &amp; replanting program</li> <li>• Soil fertility &amp; management (sloped areas, marginal soils, peat areas, EFB application, etc)</li> <li>• Water management plan &amp; river protection</li> <li>• Integrated pest management</li> <li>• High Conservation Value assessment and management</li> <li>• Use of fire for replanting (if applicable)</li> <li>• Field visit (as required)</li> </ul>	VP	Estate manager / assistants	<p><b>RSPO</b>                      Principle 2: CR2.1 (OSH)                      Principle 3: CR3.1                      Principle 4: CR4.1, 4.2, 4.3, 4.4, 4.5, 4.6                      Principle 5: CR5.2, 5.5                      Principle 7 (if applicable):                      CR7.2, 7.3, 7.4, 7.7                      Principle 8: CR8.1 (FFB optimization &amp; pesticides)</p>

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Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
	<b>Environment, GHG, OSH, Training, Legal Requirements</b> <ul style="list-style-type: none"> <li>• Legal requirements (environment)</li> <li>• EIA/ Aspects Impacts analysis</li> <li>• Waste management</li> <li>• GHG analysis and management</li> <li>• Energy efficiency monitoring and records</li> <li>• SEIA &amp; GHG monitoring for new plantings (if applicable)</li> <li>• HIRARC</li> <li>• OSH Committee &amp; safety records</li> <li>• Accident records</li> <li>• Training &amp; PPE issuance</li> <li>• Continuous improvement plan</li> <li>• Field visit (as required)</li> </ul>	AZ	Estate manager / assistants	<b>RSPO</b> Principle 2: CR2.1 (OSH & Environment) Principle 4: CR4.7, 4.8 Principle 5: CR5.1, 5.3, 5.4, 5.6 Principle 7 (if applicable): CR7.1, 7.8 Principle 8: CR8.1 (Environment)
12.00pm – 1.00pm	<b>Lunch</b>			
1.00pm – 5.00pm	<b>Document review</b>			
5.00pm	<b>Continue document review for all P&amp;C</b>	All auditors	Estate manager / assistants	
5.00pm	<b>End of Day 4</b>			
<b>Friday, 31 March 2017 – Closing meeting</b>				
8.00am – 10.00am	<b>Prepare for Closing Meeting</b> - Consolidate findings	CN. VP, AZ, RZ		
10.00am – 12.00pm	<b>Closing Meeting</b> - Summary of findings	CN. VP, AZ, RZ	Top Management and Related Managers	
12.00pm	<b>End of audit</b>			
	Return travel for all auditors AirAsia flight AK5741: Tawau – KL Departure time: 6.55pm	CN. VP, AZ, RZ		



**Appendix 3: List of Abbreviations**

BME	Bukit Mas Estate
BOD	Biological Oxygen Demand
BPOM	Bukit Mas Palm Oil Mill
CITES	Convention on International Trade in Endangered Species
CDM	Clean Development Mechanism
CHRA	Chemical Health Risk Assessment
CePSWaM	Course On Certified Environmental Profesional In Scheduled Waste Management
CePPOMETS	Certified Environmental Professional In the Operation Of POME Treatment System
CLASS	Classification, Labelling and Safety Data Sheet of Hazardous Chemicals
CPO	Crude Palm Oil
CSDS	Chemical Safety Data Sheet
CSFFB	Certified Sustainable Fresh Fruit Bunches
CSPK	Certified Sustainable Palm Kernel
CSPO	Certified Sustainable Palm Oil
dBA	Decibel
DOA	Department of Agriculture
DOE/ JAS	Department of Environment / Jabatan Alam Sekitar
DOSH/ JKPP	Department of Occupational Safety & Health / Jabatan Keselamatan dan Kesihatan Pekerja
EIA	Environmental Impact Assessment
EFB	Empty Fruit Bunches
EPF	Employee Provident Fund
ERTs	Endangered, Rare & Threatened species
ESH	Environmental Safety & Health
EQ	Environmental Quality
EQA	Environmental Quality Act
FFB	Fresh Fruit Bunches
FMA	Factories and Machinerics Act
FY	Financial Year
EFB	Empty Fruit Bunches
EPD	Environment Protection Department
GOE	Group of Estates
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Rick Control
HSPHB	Hap Seng Plantations Holdings Bhd.
ILO	International Labour Organization
IP	Identity Preserved
IPM	Integrated Pest Management
IUCN	International Union for Conservation of Nature
JCC	Joint Consultative Committee
JGOE	Jeroco Group of Estates
JKKK	Jawatankuasa Kemajuan dan Keselamatan Kampung (Village Development and Safety Committee)
JPOM	Jeroco Palm Oil Mill
KWSP	Kumpulan Wang Simpanan Pekerja (Employee Provident Fund Group)
LCC	Leguminous Cover Crop
LRR	Legal Requirements Register
LUC	Land Use Change
LTA	Lost Time Accident
MB	Mass Balance
MSDS	Material Safety Data Sheets
MT	Metric tonne
MPOA	Malaysian Palm Oil Association
MPOB	Malaysian Palm Oil Board
NADOPOD	Notification of Accidents , Dangerous Occurrence, Occupational Poisoning and Occupa-

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	tional Diseases
NGO	Non-Government Organization
NIOSH	National Institute of Occupational Safety and Health
OPAP	Oil Palm Agricultural Policy
OSH	Occupational Safety & Health
OSHA	Occupational Safety & Health Act
P&A	Personnel & Administration
P&C	Principles & Criteria
PEL	Permissible Exposure Limits
PERKESO	Pertubuhan Keselamatan Sosial (Social Safety Organization)
PK	Palm Kernel
PLKS	Pass Lawatan Khas Sementara (Temporary Visit Pass)
PMD	Pendaftaran Mesin Dandang (Boiler Machine Registration)
PMT	Pendaftaran Mesin Tekanan (Pressure Vessel Registration)
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RESB	Hap Seng Plantations (River Estates) Sdn. Bhd.
RSPO	Round Table for Sustainable Palm Oil
RUSLE	Revised Universal Soil Loss Equation
SCCS	Supply Chain Certification System
SDS	Safety Data Sheet
Sg.	Sungai (River)
SDS	Safety Data Sheets
SHC	Safety & Health Committee
SHE	Safety, Health and Environment
SIA	Social Impact Assessment
SOCSSO	Social Security Organization
SOP	Standard Operating Procedure
SPO	Sustainable Palm Oil
SSE1	Sg Segama 1 Estate
SSE2	Sg Segama 2 Estate
SSGOE	Sg. Segama Group of Estates
SW	Scheduled Waste
TMGOE	Tomanggong Group of Estates
TNB	Tenaga Nasional Berhad
UMS	Universiti Malaysia Sabah
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health
WWTP	Waste Water Treatment Plant

**Appendix 4: List of Stakeholders Interviewed and Contacted**

No.	Name of Stakeholder	Institution / Position	Remarks
<b>Stakeholders Interviewed during Public Consultation Meeting</b>			
1.	Rijal bin Osman	Labour Department (Officer)	
2.	Rohani Bt. Ibrahim	Labour Department (Communications Asst.)	
3.	Chong	Millivest Sdn. Bhd. (Saleperson)	Supplier
4.	Eldy Hay Wong	MD Machinery (Malaysia) Sdn. Bhd.	Supplier
5.	James Villamor	Sri Jaya Perniagaan	Supplier
6.	Azlan	Sri Jaya Perniagaan	Supplier
7.	Rosgradue	Worker union	SSI Checker
8.	Suardi	Worker union	Laboratory
9.	Matahari Aripin	Worker union	SSII general worker
10.	Burhan Bin Mahmud	Worker union	
11.	Ikun Delis	Worker union	BME Mandor
12.	Dakir Rigo	Worker union	SSII Mandor
13.	Irfansyah Rahman	Worker union	SSI Mandor
14.	Lulu Bin Osman	Worker union	Bukit Mas POM Electrical Chageman
15.	Asia Bte Aras	Worker union	Bukit Mas POM WB operator
16.	Sedah Abd. Rahim	Gender Committee	Chief Clerk SSGOE
17.	Mazlinah Bt. Japar	Gender Committee	SSI clerk
18.	Azlinda Hamid	Gender Committee	SSII clerk
19.	Jumaliah Bt. Majid	Gender Committee	BME clerk
20.	Ritah Bt Sawang	Gender Committee	SSI clerk
21.	Selavia Langingi	Gender Committee	SS Central Unit clerk
22.	Nurfarahain Saniman	Gender Committee	BM POM WB clerk
23.	Seri Rusandi Dorsani	Gender Committee	
24.	Sherly Geoge	Gender Committee	
25.	Dewi Bedu	Gender Committee	
26.	Rammy J.	Gender Committee	
27.	Nonsa Borlan	Gender Committee	
28.	Norhidayah Duardi	Gender Committee	
29.	Marani Erman	Gender Committee	
30.	Sailiah Okong	Gender Committee	
<b>Stakeholders Interviewed On-Site</b>			
1.	Fung Chau Yin	General Manager, SSGOE	
2.	Rudianto Muhamad	Bukit Mas Mill Manager	
3.	Sugeharto Ali	Senior Mill Assistant, Bukit Mas Mill	
4.	Mustapha Jamil	Mill Engineer, Bukit Mas Mill	
5.	Thom Daimin Sulukan	Sustainability Executive	
6.	Fidofie	Sustainability Executive	
7.	Kamarul	Executive, Agronomy Department	
8.	Asbudi Amire	Sustainability Executive	
9.	Abdul Hamad B. Abd. Karim	Village Head of Litang Village	
10.	Hamsah B. Lahinta	JKK Litang Village/ land claimant	
11.	Gusmit Hj. Ning	Headmaster of Litang school	
12.	Jamal A. Kassim	Teacher at Litang school	
13.	Suwardi Sindring	Bukit Mas Estate Mandore - sprayer	
14.	Mardiana	Bukit Mas Estate sprayer	
15.	Jusnijuma	Bukit Mas Estate sprayer	

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16.	Sukmawati	Bukit Mas Estate sprayer	
17.	Atikamare	Bukit Mas Estate sprayer	
18.	Ratna	Bukit Mas Estate sprayer	
19.	Tahir Nurdin	Bukit Mas Estate mandore - harvester	
20.	Rizal	Bukit Mas Estate harvester	
21.	Hadi saleh	Bukit Mas Estate harvester	
22.	Jimian	Bukit Mas Estate harvester	
23.	Samsudin	Bukit Mas Estate harvester	
24.	Ekar	Bukit Mas Estate harvester	
25.	Rostam	Bukit Mas Estate harvester	
26.	Doris	Bukit Mas Estate harvester	
27.	Goris	Bukit Mas Estate harvester	
28.	Iqbal	Bukit Mas Estate harvester	
29.	Jehezchial Ady Tomahaa	Medical Assistant – Clinic	
30.	Nasriani Ahmad	Staff Nurse – Clinic	
31.	Irfanshah Rahman	Sg Segama 1 Estate Mandore - sprayer	
32.	Dahlan	Sg Segama 1 Estate sprayer	
33.	Arman	Sg Segama 1 Estate sprayer	
34.	Mohd Erwan Shah	Bukit Mas Storekeeper	
35.	Wong Kui Siong	Workshop Executive, SSGOE	
36.	Suding Japar	Workshop Staff	
37.	Mohamad Irwan Shah	Workshop Staff	
38.	Eric Voon	Storekeeper, Bukit Mas Estate	
39.	Mohd Rasul Bin Ahmad	Mill worker	Malaysian
40.	Syahril Bin Syaifuddin	Mill process worker	Malaysian
41.	Ewhil bin Seini	Mill worker	Indonesian
42.	Heriani Bin Rauf	Mill worker	Indonesian
43.	Ramlan Bin Yallo	Mill worker	Indonesian
44.	Hassan Bin Santri	Mill worker	Indonesian
45.	Noraini Codd	SSI estate sprayer	Indonesian
46.	Asni Raga	SSI estate sprayer	Indonesian
47.	Noraini Olleng	SSI Manual weeder	Indonesian
48.	Sunah Bonde	SSI Manual weeder	Indonesian
49.	Normah Bt. Mohd Nor	SSI Manual weeder	Indonesian

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## Appendix 5: List of Participants

i) Opening and closing meeting

List of Participants				
CN:			TÜVRheinland® Precisely Right.	
Audit Type:			Page 1 of 1	
RSPO Recertification Audit				
Organization:	Hap Seng Plantations - Sg. Segama GDE			
Audit date:	27 March 2017 - 31 March 2017.			
Name:	Function: <small>within the company (audit leader / auditor / environmental expert / trainee/ ...)</small>	Participation  Opening meeting	Participation  Closing meeting	Signature:
Arizan	Auditor	✓	✓	
Rahayu	Auditor	✓	✓	
CAROL NG	TUV Team Leader	✓	✓	
VIKNESVARAN	TUV Auditor	✓	✓	
FUNG CHAU YIN	HPSB	✓	✓	
Peter Liew	HPSB	✓	✓	
KZE KEON CHONG	HSPB	✓	✓	
Fedotte Rusleh	HSPB	✓	✓	
HASRIN ABIDIN	HPSB	✓	✓	
Alwani Rahman	HSPB	✓	✓	
A. Robert Kimon	HSP	✓	✓	
GAN Lu YEE	HSP	✓		
ON ENG HAI	HSPB	✓		
Muhammad Amir	HSPB	✓	✓	
ASBUDI ANIRE	HSPB	✓	✓	
Kamal Amirul	HSPB	✓	✓	
Rudhanta Bin Mudo	BPOB	✓	✓	

# RSP0 Recertification Public Summary Report

- Sg. Segama Group of Estates, Hap Seng Plantations (River Estates) Sdn. Bhd., Lahad Datu Malaysia

































List of Participants		<b>TÜVRheinland®</b> Precisely Right.		
<b>CN:</b> <b>Audit Type:</b>		Page 1 of 1		
RSP0 Recertification Aud-1				
<b>Organization:</b>	ASPHB - Sg. Segama Group of Estates			
<b>Audit date:</b>	27 - 31 March 2017.			
Name:	Function: <small>within the company (audit leader / auditor / environmental expert / trainee/ ...)</small>	Participation		Signature:
		Opening meeting	Closing meeting	
THOM DAMIAN SUCUKER	HSPHB	✓	✓	27/3/17
RUDIANTO BIN MUFFID	BPOM	✓		
GAN LU YEE	USP	✓		31/3
Alwani Rahman	HSPHB	✓	✓	31/3
HASRIN ABIDIN	HSPHB	✓	✓	31/3
Roslan Dinar	"	✓	✓	

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ii) Stakeholder consultation meeting

List of Participants				
CN:			TÜVRheinland®	
Audit Type:			Precisely Right.	
Stakeholder Consultation Meeting				Page 1 of 1
Organization:	HSPTB - Sg. Segama Group of Estates.			
Audit date:	27 March 2017			
Name:	Function: <small>within the company (audit leader / auditor / environmental expert / trainee/ ...)</small>	Participation Opening meeting	Participation Closing meeting	Signature:
CAROL NG.	TUV Rheinland	✓		
AZLAN	"	✓		
VIKNESVARAN	v	✓		
Rohayu	"	✓		
1 SUMALIAH MATID	BME Estate	✓		
RITAH SAUARIQ	SSI Estate	✓		
SELAVIA LAJINGI	SCA	✓		
MATA HAR ARIPIAL	SS II EST	✓		
5 ROS gradue	SS I EST	✓		
Mazlinah - J	SSI EST	✓		
Azwin - Hamid	SSI EST.	✓		
IKUN DELIS	BMI	✓		
DAKIA. RIGO	SS II	✓		
10 IRFANSYAH RAHMANI	SS I	✓		
AZIAN	SMI Jaya Perniagaan	✓		
12 JAMES . V.	SRI JAYA PERUSAHAAN	✓		

List of Participants CN: Audit Type:		 <b>TÜVRheinland®</b> Precisely Right.		
Page 1 of 1				
Organization:	Stakeholder Consultation meeting - SSGOE			
Audit date:	27 March 2017 (Monday)			
Name:	Function: <small>within the company (audit leader / auditor / environmental expert / trainee/ ...)</small>	Participation Opening meeting	Participation Closing meeting	Signature:
RIJAL OSMAN	JAB. TENAGA KERJA	✓		
Sedah Abd. Rohis	Sw.	✓		
Offen Ahmad	Marketing & B.	✓		
ROHADI IBRAHIM	JTK	✓		
Eddy Jay Wong	MPAMM & B	✓		
Hurfarahain Samiran	weighbridge clerk	✓		
Asia Bte Aras	W/ operator	✓		
Suardi	LMS	✓		
Lulu Osman	electrical	✓		
Andy Jaffar	proses	✓		
Burhan Mahrouf	Maintenance	✓		
SAHRIL S	PROCESS	✓		
Abdullah	PROSES	✓		






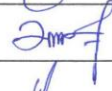










<p><b>List of Participants</b>  <b>CN:</b>  <b>Audit Type:</b></p>	 <p><b>TÜVRheinland®</b> Precisely Right.</p>
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Interviews with ~~from~~ female estate clerks. Page 1 of 1

<b>Organization:</b>	SSGOE
<b>Audit date:</b>	30 March 2017.

Name:	Function: <small>within the company (audit leader / auditor / environmental expert / trainee/ ...)</small>	Participation <b>Opening meeting</b>	Participation <b>Closing meeting</b>	Signature:
Sedah Abd-Rahim	AJK RSPO			
Mazlinah Japar				
Seni Rusand, Darsani				
Ruskeni A. Latip				
Ashinda Hamid.				
Sherly Geoge				
Dewi Bedu				
Ranny J				
Nansa Borken				
Norhidayah Dvairi				
Merani Erman				
SALIAH OKONG				
JUMALIAH MAJID				