

SIRIM QAS INTERNATIONAL SDN. BHD.
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,
Section 2, 40700 Shah Alam, Selangor, Malaysia.

File Ref. : EB04990001

RSPO PUBLIC SUMMARY REPORT

CLIENT : BOUSTEAD NAK BUSINESS UNIT

PARENT COMPANY : BOUSTEAD PLANTATIONS BERHAD

RSPO MEMBERSHIP No.: 1-0012-04-000-00

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):
(In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Mill / Estate	Location		
		Latitude	Longitude	Address
Boustead NAK Business Unit	NAK POM Mill	117° 19'E	5° 54'N	Mile 3 off 19 mile, Labuk Road, 90009 Sandakan Sabah
	NAK Estate	117° 85'E	5° 90'N	Mile 19, 27KM Labuk Road, 90009 Sandakan, Sabah
	Resort Estate	117° 22'E	5° 40'N	Km 100 Sandakan Road, 90009 Sandakan, Sabah.
	Sutera Estate	117° 50'E	5° 40'N	Off Mile 45, 68 km Lahad Datu Road, Sandakan, 90009 Sabah.
	Ladang Tabung Tentera Sabah (LTTS)	5° 17'E	117° 54'N	Lahad Datu – Sandakan, Off-Road KM16, Sungai Pin, 91109 Lahad Datu, Sabah.

MAP : See Attachment 1

AUDIT DATE : 6-10 March 2017

DURATION : 13 auditor days

TYPE OF AUDIT : Annual Surveillance Audit

Recertification Audit

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014

SCOPE OF CERTIFICATION: Production of Sustainable Crude Palm Oil and Palm Kernel Using the Identity Preserved Supply Chain Model

VALIDITY OF RSPO CERTIFICATE : 16/5/2015-15/5/2020

The following attachments form part of this report:

Non-conformity Report(s)

List of additional site(s)

Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : MOHD ZULFAKAR KAMARUZAMAN

Name : MOHAMMAD TARMIZI TAUFER

Signature :

Signature :

Date : 9 June 2017

Date : 9/6/2017

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SUMMARY OF AUDITS

Stage 2 Audit			
On-site audit date :	1 – 5 December 2014	No. of auditor days :	-
Audit team :	SGS Malaysia		
No. of major NCR :	5	1.2.1, 4.7.1, 4.8.1, 5.6.1 & 6.5.1	Closing date : 2 February 2015
No. of minor NCR :	12	2.1.4, 4.2.2, 4.4.7, 4.5.4, 5.3.2, 5.6.2, 6.1.3, 6.4.2, 6.5.2, 6.5.3, 6.10.2 & 6.10.3	
Indicate the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers
	x		x
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractor	Others (Please specify)
		x	
Supply base sampled :	Nak Estate and Resort Estate		

Annual Surveillance Audit 1			
On-site audit date :	11-14 April 2016	No. of auditor days :	13 Auditor Days
Audit team :	Mohd Zulfakar Kamaruzaman (LA) , Mohd Razman Salim, Mohd Norddin Abd Jalil, Zulkarnain Abdullah		
No. of major NCR :	2	Indicator: 2.1.1 and 4.7.3	Closing date : 13 June 2016
No. of minor NCR :	5	Indicator : 4.2.1, 4.5.2, 5.3.3, 5.4.1 and 5.6.3	
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers
	x		x
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractor	Others (Please specify)
		x	
Supply base sampled :	Resort Estate and Sutera Estate		
Changes since the last audit :	No changes.		

Annual Surveillance Audit 2			
On-site audit date :	6-10 March 2017	No. of auditor days :	13 Auditor Days
Audit team :	Mohd Zulfakar Kamaruzaman (LA) , Rozaimie Ab Rahman, Hazani Othman, Mohd Abd Raouf Asis (Trainee Auditor)		
No. of major NCR :	2	2.1.1, 4.4.2	Closing date : 9 May 2017
No. of minor NCR :	5	2.1.2, 4.1.3, 5.2.3, 5.2.4, 6.12.3	
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers
	X		X
	Contract workers	NGOs	Govt. agency
			X
	Indigenous people	Contractor	Others (Please specify)
		X	
Supply base sampled :	Nak Estate and Ladang Tabung Tentera Sabah (LTTS)		
Changes since the last audit :	New Estate has been included in NAK Business Unit which is Ladang Tabung Tentera Sabah (LTTS)		

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Annual Surveillance Audit 3			
On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :		Indicator:	Closing date :
No. of minor NCR :		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractors	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			

Annual Surveillance Audit 4			
On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :		Indicator:	Closing date :
No. of minor NCR :		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractors	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			

Recertification Audit			
On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :		Indicator:	Closing date :
No. of minor NCR :		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractors	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			

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SUMMARY OF INFORMATION

TYPE OF AUDIT	STAGE 2 /-RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period		April 2016 – March 2017	March 2017 – February 2018		
Certified Area (Ha)		4,721.90	6,744.90		
Planted Area (Ha)		4,511.6	6,462.20		
Production Area (Ha) (Planted – Immature)		3,987.70	5,157.76		
HCV Area (Ha)		-	6.9		
Certified FFB Processed (MT)		72,725.00	105,100.00		
Production of Certified CPO (MT)		15,454.06	22,333.75		
Production of Certified PK (MT)		3,200.00	4,624.40		
REMARKS		-	Inclusion of Ladang Tabung Tentera Sabah Estate (2,023.00 Ha)		

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3.5	Any new acquisition which has replaced primary forests or HCV areas	10
3.6	Other changes (e.g. organizational structure, new contact person, addresses, etc.)	10
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1.0 AUDIT PROCESS

1.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS) and the International Automotive Task Force (IATF). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and accredited by ASI on 27 September 2014.

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mohd Zulfakar Kamaruzaman	Lead Auditor / HCV, Safety & Health and Supply Chain	<ul style="list-style-type: none"> • Holds a B. Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operation.
Hazani Othman	Auditor, Environment and Social	<ul style="list-style-type: none"> • Holds a Bachelor of Forestry Science and Diploma in Forestry, from the Universiti Putra Malaysia. He is a Lead auditor for ISO 14001, FSC & MTCC FMC and CoC and RSPO P&C
Rozaimie Ab Rahman	Auditor / Good Agricultural Practices(GAP)	<ul style="list-style-type: none"> • Holds a B. Sc. in Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm operation
Mohd Ab Raouf Asis	Trainee Auditor / Good Agricultural Practices (GAP), Health & Safety related to plantation	<ul style="list-style-type: none"> • Holds a B. Sc. in Manufacturing (Production and Operation). He had more than 7 years of working experience in the oil palm operation.

1.3 Audit methodology

The audit covered the Nak palm oil mill and two of its supply base. The sampling of the number of the supply base was using the formula of $0.8\sqrt{y}$. The two supply base covered during the audit are Nak Estate and Ladang Tabung Tentera Sabah (LTTS). The audit included on-site audit to the estates, mill and settlers' houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the the SIRIM QAS International's websites. There was no comment received for this Certification Unit.

1.5 Audit plan : Refer to Attachment 2

1.6 Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit.

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2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

The Nak Certification Unit (hereafter referred to as Nak CU) is one of the business unit under the Boustead Plantation Bhd (BPB). The CU is also known as Boustead Nak Business Unit. The CU was initially comprises of the Nak Palm Oil Mill (Nak POM) and three supply base i.e. the Nak Estate, Resort Estate and Sutera Estate. For 2017 audit, the Boustead management had decided to include a new estate Ladang Tabung Tentera Sabah (LTTS) in the certification.

All of the estates are owned by BPB. The Nak POM has a mill capacity of 40 mt/hr.

2.2 Description of the Supply Base (including the planting profile)

The FFB sourced from company owned estates that are certified. Details of the FFB contribution from each source to the Nak Palm Oil Mill are shown in the following tables:

Table 1: Actual FFB production by the supply base for the last reporting period (March 2016 to February 2017)

Estates	FFB Production	
	Tonnes	Percentage (%)
Nak Estate	22,297.80	32.96
Resort Estate	14,384.84	21.26
Sutera Estate	30,976.88	45.78
LTTS	-	-
Total	67,659.52	100.00

Table 2: Projected FFB production by the supply base for the next reporting period (March 2017 to February 2018)

Estates	FFB Production	
	Tonnes	Percentage (%)
Nak Estate	25,700.00	24.45
Resort Estate	11,100.00	10.56
Sutera Estate	33,000.00	31.40
LTTS	35,300.00	33.59
Total	105,100.00	100.00

Table 3: Actual FFB received and CPO & PK dispatch by the Nak POM for the last reporting period (March 2016 to February 2017)

	Total (MT)
FFB Received	67,659.52
FFB Processed	67,659.52
Certified FFB	67,659.52
CPO Production	14,515.00
PK Production	2,678.41
CPO delivered as Identity Preserved	11,094.63
CPO delivered as Mass Balance	1,094.63
CPO delivered as non-RSPO certified	2,339.86
PK delivered as Identity Preserved	1,326.70
PK delivered as Mass Balance	1,351.71
PK delivered as non-RSPO certified	0.00

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**Table 4 : Projected FFB received and CPO & PK dispatch by Nak POM of the next reporting period
(March 2017 to February 2018)**

	Total (MT)
FFB Received	105,100.00
FFB Processed	105,100.00
Certified FFB	105,100.00
CPO Production	22,333.75
PK Production	4,624.40
CPO delivered as Identity Preserved	22,333.75
PK delivered as Identity Preserved	4,624.40

Table 5: Planted and certified area of the Nak BU

Estate	Planted (ha)	Certified (ha)
Nak	1,311.50	1,386.10
Sutera	2,102.80	2,200.70
Resort	1,097.30	1,135.10
LTTS	1,950.60	2,023.00
Total	6,462.20	6,744.90

Table 6: Planting profile for Nak Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1994	1 st Generation	Mature	141.40	11%
1995	1 st Generation	Mature	272.00	21%
1996	1 st Generation	Mature	147.50	11%
2001	1 st Generation	Mature	114.90	9%
2002	1 st Generation	Mature	163.80	13%
2006	2 nd Generation	Mature	86.80	7%
2007	2 nd Generation	Mature	52.10	4%
2008	2 nd Generation	Mature	42.30	3%
2009	2 nd Generation	Mature	80.60	6%
2010	2 nd Generation	Mature	57.60	4%
2016	2 nd Generation	Immature	68.90	5%
2017	2 nd Generation	Immature	83.60	6%
Total			1311.50	100

Table 7: Planting profile for Sutera Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1994	1 st Generation	Mature	475.00	23%
2005	2 nd Generation	Mature	178.30	8%
2006	2 nd Generation	Mature	139.70	7%
2007	2 nd Generation	Mature	101.60	5%
2009	2 nd Generation	Mature	141.60	7%
2010	2 nd Generation	Mature	145.90	7%
2011	2 nd Generation	Mature	145.80	7%
2012	2 nd Generation	Mature	137.00	7%
2013	2 nd Generation	Mature	95.00	4%
2014	2 nd Generation	Mature	105.8	5%
2015	2 nd Generation	Immature	89.60	4%
2016	2 nd Generation	Immature	100.20	5%
2017	2 nd Generation	Immature	247.30	12%
Total			2,102.80	100%

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Table 8: Planting profile for Resort Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1993	1 st Generation	Mature	345.50	32.0
1995	1 st Generation	Mature	217.40	19.0
2015	2 nd Generation	Immature	183.20	17.0
2016	2 nd Generation	Immature	175.80	16.0
2017	2 nd Generation	Immature	175.40	16.0
Total			1092.40	100

Table 9 : Planting profile for LTTS Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1991	1 st Generation	Mature	145.6	7.46
1992	1 st Generation	Mature	192.1	9.85
1993	1 st Generation	Mature	128.5	6.59
1994	1 st Generation	Mature	567.7	29.10
1998	1 st Generation	Mature	238.5	12.23
2006	2 nd Generation	Mature	81.8	4.19
2007	2 nd Generation	Mature	68.1	3.49
2008	2 nd Generation	Mature	56.9	2.92
2009	2 nd Generation	Mature	83.4	4.28
2014	2 nd Generation	Mature	194.6	9.98
2015	2 nd Generation	Immature	193.4	9.91
Total			1,950.6	100

2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

Name	:	Mr. Mohammad Tarmizi Taufek
Position	:	Secretary RSPO, Boustead
Address	:	11h Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia
Phone no.	:	+603-2145-2121/+6089-667-360
Fax no.	:	-
Email	:	tarmizi.bea@boustead.com.my

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3.0 AUDIT FINDINGS

3.1 Changes to certified products in accordance to the production of the previous year

No change to the certified products in the previous year. There will be an increase in the was a changes to the certified products since last assessment. The changes is New site has been include into Nak BU which is Ladang Tabung Tentera Sabah (LTTS) comprising of 2,023 ha certified area.

3.2 Time bound plans including changes and reasons for the changes see below:

	Yes	No	<u>If yes, state reasons/justifications</u>
- acquisitions/disposals	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
- emergence/re-emergence of land disputes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
- labour conflicts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____

The time bound plan for Boustead Plantation Berhad which was updated in December 2016 is provided in Attachment 7 of this report.

3.3 Overall comment in terms of acceptance or non-acceptance on the changes in the time-bound plan (including details of non-adherence or the conditions justifying a time-bound plan have changed)
There are no changes to the time-bound plan.

3.4 All associated smallholders (including scheme smallholders) where their fruit supply is included , by the mill, are audited within 3 years from when their fruit was first included in the mill certification.

Yes No

If no, please state reasons N/A as there is no associated smallholders supplying FFB to the CU.

3.5 Any new acquisition which has replaced primary forests or HCV areas or Yes No

3.6 Other changes (e.g. organizational structure, new contact person, addresses, etc.)
No Changes.

3.7 Status of previous non-conformities *
Closed Not closed

* If not closed, minor non conformity will be upgraded to major non conformity

3.8. Complaint received from stakeholder (if any)
There were some stakeholders interviewed during the conduct of this audit. These include workers, contractors and suppliers. In general, all the interviewed stakeholders had given positive feedback on the CU.

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4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C (Details checklist refer to Attachment 3) :

Total no. of minor NCR(s) (details refer to Attachment 4)	List : 5	MZK 01 2017, MZK 03 2017, MZK 04 2017, MAR 01 2017, MAR 02 2017
Total no. of major NCR(s) (details refer to Attachment 4)	List : 2	MZK 02 2017, RAR 01-2017

4.2 For SC (Details checklist refer to Attachment 5) :

Total no. of minor NCR(s)	List : 0
Total no. of major NCR(s)	List : 0

5.0 AUDIT CONCLUSION

The audit team concludes that the organisation has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to achieve agreed criterion & requirements.

6.0 RECOMMENDATION



No NCR recorded. Recommended to continue certification.



Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs.



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.



Recommended to continue certification.



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

7. IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.

Audit Team Leader :

MOHD ZULFAKAR
KAMARUZAMAN



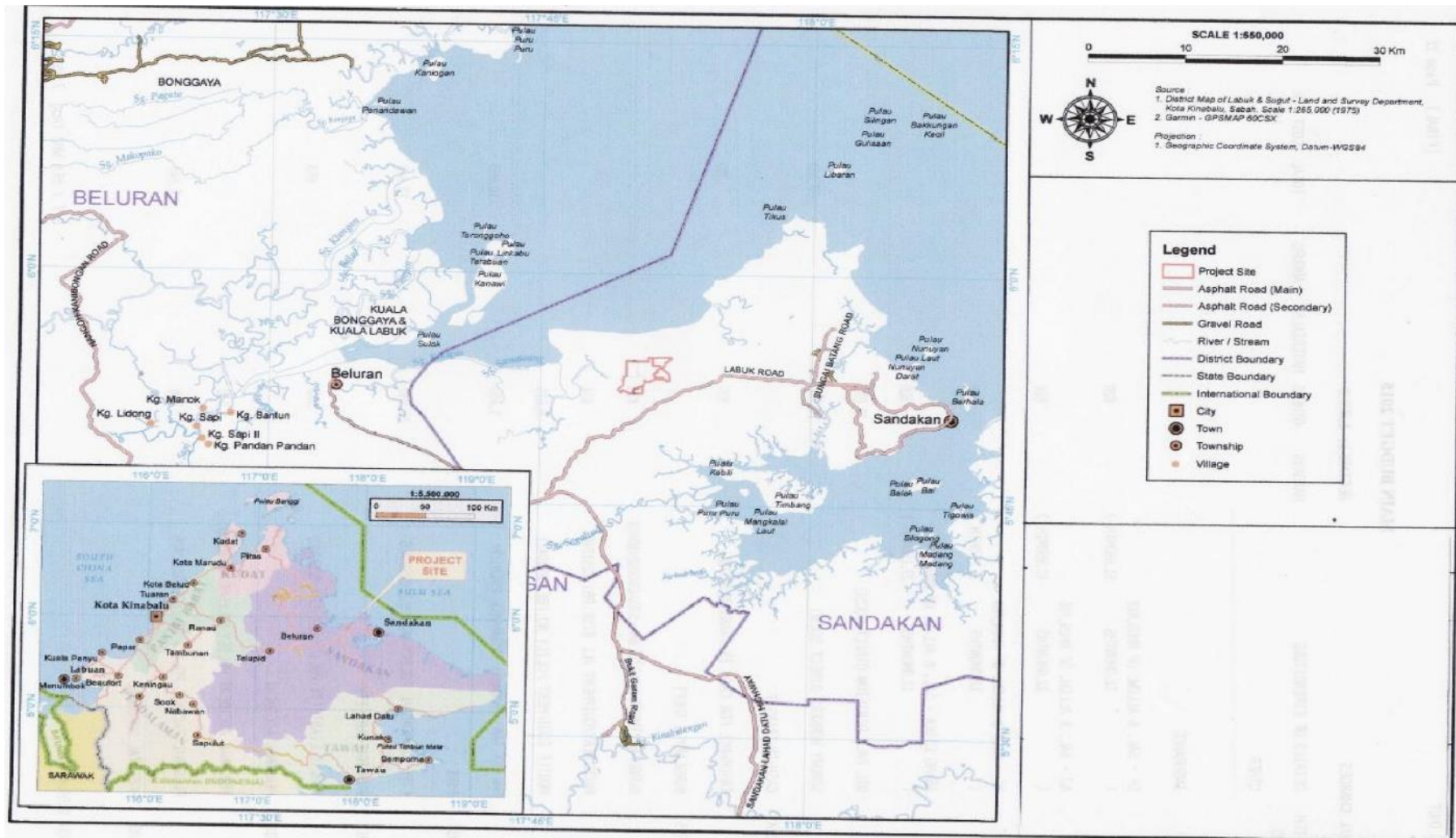
9/5/2017

(Name)

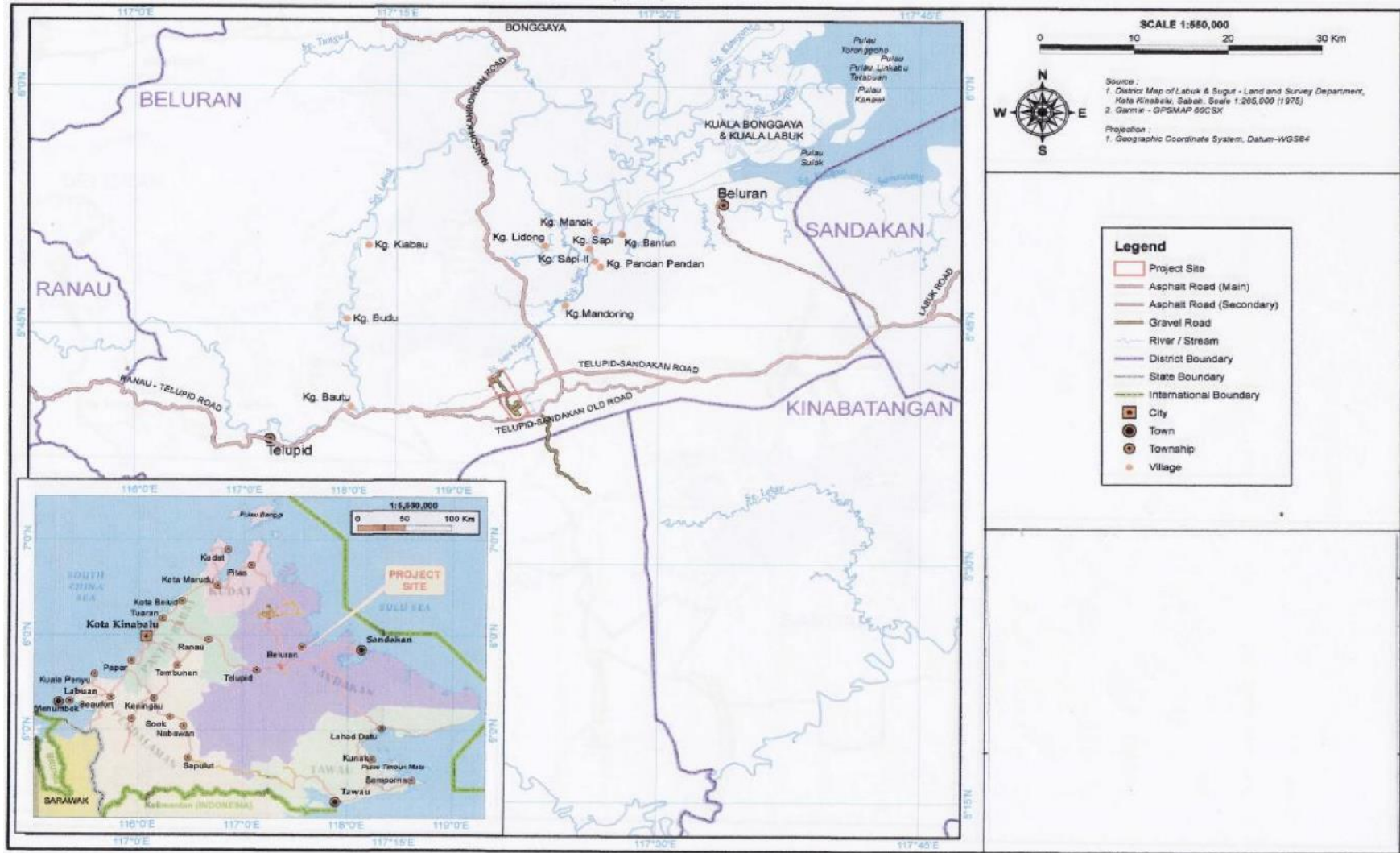
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(Date)

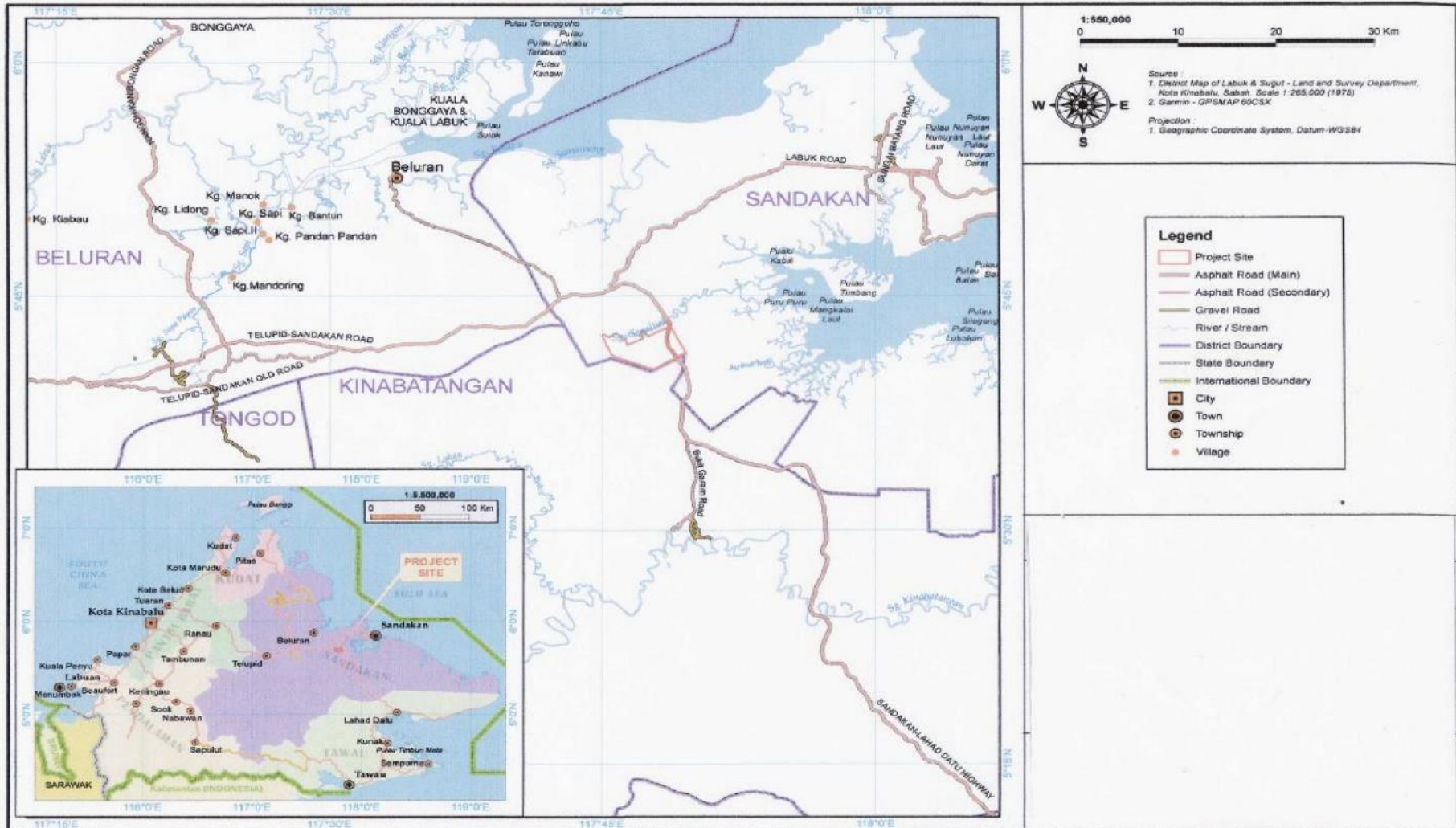
Map of Nak Estate - Nak CU



Map of Resort Estate - Nak CU

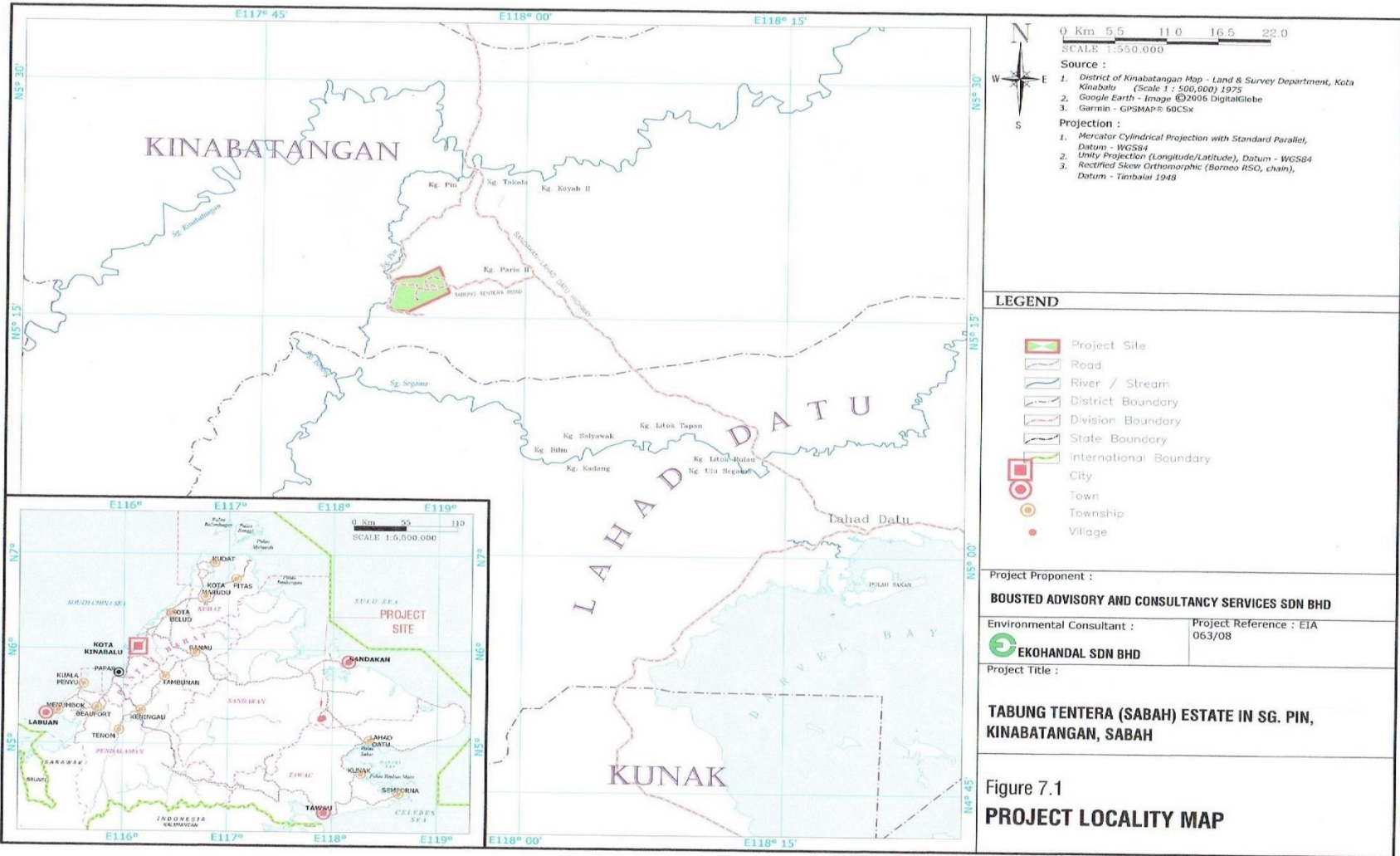


Map of Sutera Estate - Nak CU



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Map of LTTS Estate - Nak CU



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RSPO SURVEILLANCE AUDIT PLAN

1. Objectives

The objectives of the audit are as follows:

- (i) To determine Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (ii) To verify the effective implementation of corrective actions arising from the findings of last audit
- (iii) To make appropriate recommendations based on the audit findings

2. **Date of audit** : 6-10 Mar 2017

3. **Site of audit** : Boustead Nak BU

- Nak Palm Oil Mill
- Nak Estate
- LTTS Estate

4. Audit Criteria:

- RSPO P&C MYNI: 2014
- RSPO Supply Chain Certification Standard, 2014
- Company's audit criteria including Company's Manual/Procedures

5. Audit Team

- a) Audit Team Leader : Mohd Zulfakar Kamaruzaman
b) Auditor : Hazani Othman
Rozaimiee Ab Rahman
c) Trainee Auditor : Mohd Ab Raouf Asis

6. Audit Method

Site audits including observation of practices, interviews with interested parties (employees, nearby population, etc.), documentation evaluation and evaluation of records.

7. Audit Findings

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed within 60 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 60 days, the certificate shall be terminated. Recurrence of major non-conformities on the same issues shall be recommended for immediate suspension. Minor non-conformities shall be upgraded to major non-conformities if the corrective actions taken are not satisfactorily and effective.

For minor non conformities raised in the surveillance audit, corrective action plans shall be submitted within 60 days. Verification of implementation of corrective actions will be carried out during the next audit. If corrective action plans to address the minor non-conformity(ies) are not submitted within 60 days, the RSPO certificate will be recommended for suspension. If corrective action plans are not submitted within a further 60 days, the RSPO certificate will be recommended for termination.

8. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain. In the event that there be any legal requirements

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for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

9. Working Language : English and Bahasa Malaysia

10. Reporting

- a) Language : English
- b) Format : Verbal and written
- c) Expected date of issue : Tentative date of issue of report not more than 30 days after the closure of the major NCR.
- d) Distribution list : Client file

11. Facilities Required

- a) Room for discussion
- b) Relevant document and record
- c) Personnel protective equipment if required
- d) Photocopy and printing facilities
- e) A guide for each auditor

12. Audit Programme Details: As shown below:

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Day 1: 6 March 2017 (Monday)			
Time	Activities / areas to be visited		
9.00 – 9.30 am	<u>Opening meeting at Nak Palm Oil Mill</u> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organization Representative to brief on the following : <ol style="list-style-type: none"> 1) RSPO implementation at Boustead Nak Business Unit (i.e. mill & supply base) including changes 2) Time bound plan for Boustead Gradient Sdn. Bhd. 3) Significant changes on organization activities, machinery, supply bases capacity etc. 		Top Mgmt & Committee Member
	Zulfakar	Hazani/Raouf	
9:30 – 1:00 pm	<u>Nak POM</u> Coverage of assessment: P1, P2, P4, P5, P8 <ul style="list-style-type: none"> - Laws and regulations - HCV Assessment - Complaints and grievances - Consultation with relevant government agencies, Stakeholder, NGO,s, Villagers. - Inspection of protected sites with HCV attributes - Forested area, plantation boundary, adjacent and neighbouring land use - Riparian zone - Safety Plan, HIRARC - Occupational safety & health practice – witness activities at site - Interview with workers, safety committee and contractors - Training and skill development programs - Continuous improvement 	<u>Nak Estate</u> Coverage of assessment: P1, P2, P3, P4, P5, P6, P8 <ul style="list-style-type: none"> - Laws and regulations - Commitment to long-term economic and financial viability - Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) - EFB mulching, POME application - Environmental management – witness activities at site - Interview with workers and contractors - Plantation on hilly/swampy area - IPM implementation, training and safe use of agro-chemicals. - New planting - Continuous improvement 	Guide(s) for each assessor
1.00 – 2.00 pm	Break		
2.00 – 5.00 pm	Continue assessment		Guide(s) for each assessor

Day 2: 7 March 2017 (Tuesday)			
Activities /areas to be visited	Zulfakar	Hazani/Raouf	
9.00 – 1.00 pm	<u>LTAT Estate</u> Coverage of assessment: P1, P2, P4, P5, P8 <ul style="list-style-type: none"> - Laws and regulations - HCV Assessment - Complaints and grievances - Consultation with relevant government agencies - Inspection of protected sites with HCV attributes 	<u>Nak Estate</u> Coverage of assessment: P1, P2, P4, P5, P6, P8 <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders 	Guide(s) for each assessor

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	<ul style="list-style-type: none"> - Forested area, plantation boundary, adjacent and neighbouring land use - Riparian zone - Safety Plan, HIRARC - Occupational safety & health practice – witness activities at site - Interview with workers, safety committee and contractors - Training and skill development programmes - Continuous improvement 	<ul style="list-style-type: none"> • Laws and regulations • Environmental management (witness activities at site) • EIA, Environmental Plan. • Waste & chemical management • Interview with workers, committee and contractors • Facilities at workplace • Continuous improvement 	
1.00 – 2.00 pm	Break		
2.00 – 5.00 pm	Continue assessment		

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Activities /areas to be visited	Zulfakar	Hazani/Raouf	Rozaimee	
9.00 – 1.00 pm	<p align="center"><u>LTAT Estate</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> - Laws and regulations - HCV Assesment - Complaints and grievances - Consultation with relevant government agencies - Inspection of protected sites with HCV attributes - Forested area, plantation boundary, adjacent and neighbouring land use - Riparian zone - Safety Plan, HIRARC - Occupational safety & health practice – witness activities at site - Interview with workers, safety committee and contractors - Training and skill development programmes - Continuous improvement 	<p align="center"><u>Nak POM</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Laws and regulations • Environmental management (witness activities at site) • EIA, Environmental Plan. • Waste & chemical management • Interview with workers, committee and contractors • Facilities at workplace • Continuous improvement 	<p align="center"><u>LTAT Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Environmental management – witness activities at site • Interview with workers and contractors • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue Assessment at Nak Estate	Continue assessment	Continue assessment	Guide(s) for each assessor

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Day 4: 9 March 2017 (Thursday)				
Activities /areas to be visited	Zulfakar	Hazani/Raouf	Rozaimiee	
9.00 – 1.00 pm	<p align="center"><u>Nak Estate</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P8</p> <ul style="list-style-type: none"> - Laws and regulations - HCV Assesment - Complaints and grievances - Consultation with relevant government agencies - Inspection of protected sites with HCV attributes - Forested area, plantation boundary, adjacent and neighbouring land use - Riparian zone - Safety Plan, HIRARC - Occupational safety & health practice – witness activities at site - Interview with workers, safety committee and contractors - Training and skill development programmes - Continuous improvement 	<p align="center"><u>LTAT Estate</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Laws and regulations • Environmental management (witness activities at site) • EIA, Environmental Plan. • Waste & chemical management • Interview with workers, committee and contractors • Facilities at workplace • Continuous improvement 	<p align="center"><u>LTAT Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Environmental management – witness activities at site • Interview with workers and contractors • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment	Continue assessment	Continue Assessment at Nak Estate	Guide(s) for each assessor

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Day 5: 10 March 2017 (Friday)				
Activities /areas to be visited	Zulfakar	Hazani/Raouf	Rozaimee	
8.30 – 1.00 pm	<p align="center"><u>Nak POM</u></p> <p>Site visit and assessment on Supply Chain Implementation including the Model used</p> <ul style="list-style-type: none"> • General Chain of Custody System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims 	<p align="center"><u>LTAT Estate</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Laws and regulations • Environmental management (witness activities at site) • EIA, Environmental Plan. • Waste & chemical management • Interview with workers, committee and contractors • Facilities at workplace • Continuous improvement 	<p align="center"><u>Nak Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P5, P7, P8</p> <p>Laws and regulations</p> <p>Commitment to long-term economic and financial viability</p> <p>Good Agricultural Practice- witness activities at site (weeding/ spraying, etc)</p> <p>EFB mulching, POME application</p> <p>Environmental management – witness activities at site</p> <p>Interview with workers and contractors</p> <p>Plantation on hilly/swampy area</p> <p>IPM implementation, training and safe use of agro-chemicals.</p> <p>New planting</p> <p>Continuous improvement</p>	Guide(s) for each assessor
1.00–2.00 pm	Break			
2.00 – 4.00 pm	<ul style="list-style-type: none"> • Continue assessment on unfinished area • Verification on outstanding issues • Audit Team discussion, preparation on audit findings and issuance of NCR (if any) 			
4.00 – 5.00 pm	□ Closing meeting			Top management & Committee member

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Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators	Comply Yes/No	Findings
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision-making.	1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Major Compliance	YES	Nak BU continued to implement the procedure for responding to any communication as outlined in their Estate/Mill Quality Management System documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records reviewed were correspondences with the authorities and employees. The CU continued to use website for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances are available through Boustead Plantation website at http://www.bousteadplantations.com.my/home.html
	1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	YES	The estates have identified personnel responsible for complaints. Records of communication were identified and maintained in different files, depending on the stakeholders. Among the records reviewed were correspondences with the authorities, local communities and employees. The latest communications sighted in these records were the "Borang Aduan" requesting repairs of the employee's houses.
C 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.	1.2.1 Land titles/user rights	YES	Land titles for Nak POM, Nak Estate and LTTS Estate were kept at their respective office.
	Occupational health and safety plans	YES	Occupational Health & Safety Plan titled as 'Safety Program FY2017' has been established. Indicators set in the plan were monitored.
	Plans and impact assessments relating to environmental and social impacts	YES	Plans and impact assessments relating to environmental and social impacts maintained available (refer to Criteria 5.1 and 6.1).
	HCV documentation summary	YES	Documents related to HCV are available at the Nak Estate and LTTS Estate. The documents reported their activities, HCV area, riparian zone, map and the appointed person in-charge.
	Pollution prevention and reduction plans	YES	Pollution prevention and reduction plans maintained available (refer to Criterion 5.6).
	Details of complaints and grievances	YES	There were no complaints and grievances observed (refer to Criterion 6.3).
	Negotiation procedures	YES	Negotiation procedure maintained available (refer to Criterion 6.4).
	Continual improvement plans	YES	Continuous improvement plans for 2017 are available for Nak POM, Nak Estate and LTTS Estate.
	Public summary of certification assessment report;	YES	Public summary is available at the following link: http://www.sirim-gas.com.my/sirim/core-files/uploads/2017/02/24-Boustead-Gradient-Sdn-Bhd-Nak-Business-Unit-1st-Surveillance-2016.pdf
Human Rights Policy	YES	Human rights policy maintained available (refer to Criterion 6.13).	

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<p>C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</p>	<p>1.3.1</p>	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance</p>	<p>YES</p>	<p>Documented code of ethical conduct and integrity titled 'Code of Ethics and Conduct' maintained and had been communicated to all level of the workforce of the CU.</p>
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Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
<p>C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.</p>	<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available. Major Compliance</p>	<p>NO</p>	<p>Generally, the CU continued to comply with most of the applicable local, national and ratified international laws and regulations. Last update was on July 2016. Relevant licenses and permits were verified at the CU. However, during the audit at Nak Estate, noted that the Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations was not complied with. CHRA was not carried out in 5 years interval. Last conducted in Nov 2008. Thus, major #NCR RAR01-2017 was raised.</p>
	<p>2.1.2</p>	<p>A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance</p>	<p>NO</p>	<p>At Nak Estate, LTTS Estate and Nak POM, have a documented system for identifying, updating and tracking changes in legal requirements and monitoring the status of the legal compliance. Each estate has developed its own Legal Register. There was evidence of compliance to legal requirements has been evaluated on an annual basis. Sighted that Legal Register at LTTS and Nak estate was not updated to include the Minimum Wages Order 2016, Sabah Land Code and Environmental Quality Act 1974 amendment 2014 regarding to competent person. Hence, Minor NCR MZK 01 2017 was raised.</p>
	<p>2.1.3</p>	<p>A mechanism for ensuring compliance shall be implemented. Minor Compliance</p>	<p>YES</p>	<p>The legal register has been used as guidance in carrying out the periodic evaluation of compliance exercise. Through this exercise, the CU determined their status of compliance with the applicable regulations. Appropriate actions shall be taken should there be any non-compliance found. Based on the verification of this exercise, the auditors confirmed that most of the non-compliance found have been acted upon.</p>
	<p>2.1.4</p>	<p>A system for tracking any changes in the law shall be implemented. Minor Compliance</p>	<p>YES</p>	<p>Changes to the law and regulation are monitored by the OSH Department of Boustead Sandakan Office. Various sources were referred in obtaining information about the updates of legal requirements. This include checking with the industrial association attending seminar/conference, buying of the law books, government agencies websites, etc.</p>

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C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised NCR land) and the actual legal use of the land shall be available. Major Compliance	YES	NAK Business Unit maintains and complies with the terms of the land title. It was noted that the land titles specified the purpose of the land which is for planting of either oil palm or agricultural crops for economic value.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	YES	Field verification at LTT Estate, observed that the boundary stones were visible between the estate and the neighboring private oil palm estates. For Nak Estate observed that the boundary stones were visible at the boundary with villages Sungai Tiram and neighboring private oil palm estates.
	2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with FPIC. Minor Compliance	YES	There is no land dispute reported since the last audit as verified in their stakeholders meeting at Nak POM. There were no issues raised on land dispute. There was also no land conflict between the estates with their neighboring private oil palm estates. This was confirmed through interview with the stakeholder.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance	YES	There is no land dispute reported since the last audit as verified in their stakeholders meeting at Nak POM. There were no issues raised on land dispute. There was also no land conflict between Nak Estate and LTT Estate estate with their neighboring private oil palm estates. This was confirmed through interview with the stakeholder.
	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties. Minor Compliance	YES	There is no land dispute reported since the last audit as verified in their stakeholders meeting at Nak POM. There were no issues raised on land dispute. There was also no land conflict between Nak Estate and LTT Estate estate with their neighboring private oil palm estates. This was confirmed through interview with the stakeholder.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	YES	There is no land dispute reported since the last audit as verified in their stakeholders meeting at Nak POM. There were no issues raised on land dispute. There was also no land conflict between Nak Estate and LTT Estate estate with their neighboring private oil palm estates. This was confirmed through interview with the stakeholder.

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C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights shall be developed through participatory mapping involving affected parties. Major Compliance	YES	There is no land dispute reported since the last audit as verified in their stakeholders meeting at Nak POM. There were no issues raised on land dispute. There was also no land conflict between Nak Estate and LTT Estate estate with their neighboring private oil palm estates. This was confirmed through interview with the stakeholder.
	2.3.2	Copies of negotiated agreements detailing the process of FPIC shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance	YES	There is no land dispute reported since the last audit as verified in their stakeholders meeting at Nak POM. There were no issues raised on land dispute. There was also no land conflict between Nak Estate and LTT Estate estate with their neighboring private oil palm estates. This was confirmed through interview with the stakeholder.
	2.3.3	All information shall be available in appropriate forms and languages, inc assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	YES	There is no land dispute reported since the last audit as verified in their stakeholders meeting at Nak POM. There were no issues raised on land dispute. There was also no land conflict between Nak Estate and LTT Estate estate with their neighboring private oil palm estates. This was confirmed through interview with the stakeholder.

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	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	YES	<p>There is no land dispute reported since the last audit as verified in their stakeholders meeting at Nak POM. There were no issues raised on land dispute.</p> <p>There was also no land conflict between Nak Estate and LTT Estate estate with their neighboring private oil palm estates. This was confirmed through interview with the stakeholder.</p>
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Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

Clause	Indicators	Comply Yes/No	Findings	
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (min. 3 yrs) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	Both estates continued to make commitment to long-term economic and financial viability. The annual budgets for 2017 to 2021 were sighted. The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budget included projections on yield/ha, and total cost of production per m ton & per ha.
	3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, shall be available. Minor Compliance	YES	The replanting programme for the next five years had been prepared in the Long Range Replanting Programme (LRRP) 2017 until 2021. This programme is reviewed once a year and is incorporated into their annual financial budget. The following programmes were sighted.

Principle 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS

Clause	Indicators	Comply Yes/No	Findings	
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES	The Oil Palm Circular (O.P.C) is the manual used for the operations in the estate. The manual is maintained and updated accordingly. The latest update was carried out on 17/05/2013. The manual was reviewed by the auditors during the audit. It was confirmed that all activities in the estates from seedlings in nursery to planting in the fields have been included in the Manual. Similarly at the Mill, SOPs are available in Mill Operation Manual (MOM) & QAM (Quality Assurance Manual), Safe Work Procedure (SWP) and Supply Chain Procedure. The manuals are approved by the Boustead Group Engineer.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	YES	Generally, both estates had well established <i>Nephrolepis biserrata</i> fern and soft vegetation in the inter rows of mature palm. Both estates had planted <i>Nephrolepis biserrata</i> in areas with where <i>Nephrolepis biserrata</i> establishment was poor. Palms were well pruned and cut fronds stacked as per SOP. Random interview with the estate workers showed that they understand the requirement stated in the SOPs. For example, it was observed that harvesting standards and chemicals usage had been properly understood by the estate harvesters and sprayers respectively.

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	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	NO	Records of monitoring and the actions taken by both LTTS Estate and Nak Estate were maintained. The records are kept for a minimum of 12 months. Monthly Costing and Annual Reports on monitoring of all activities were made available to the auditor. However, it was found that the rat baiting campaign, which does not fall below 20%, was not continued. Thus, minor NCR MAR 01/2017 was raised.
	4.1.4	The mill shall record the origins of all third-party sourced FFB. Major Compliance	N/A	Auditor has verified that there was no third party FFB supplier at Nak POM.
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in SOPs, are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	Both estates continued to practice the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention and EFB in replants and compost application in mature areas. Fertiliser application, which was of paramount importance for maintenance of soil fertility, was carried based on the recommendation made by the appointed Agronomist.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Fertiliser application program was monitored using records like program sheets, bin cards, field cost book, Fertiliser Application monitoring forms, work flow sheets in Replants, etc. Records of programs and applications of fertilisers were made available to auditors. Review of the records revealed that the actual fertilisers applied in 2016/2017 was in line with the program.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	From the Agronomist's report it was established that both estates carried out yearly foliar sampling for the nutrients N, P, K, Mg, CA & B and the results formed the basis for the fertiliser recommendations to maintain and to improve soil fertility. The latest foliar sampling at LTTS Estate was carried out in Aug 2016 while for Nak Estate, the foliar sampling was done in March 2016. The results was used to formulate the fertiliser recommendation for 2017. Soil maps were made available to the auditors. Analysis for soil T-N, Av-P, Ex-K. Ex-Ca and Ex-Mg was carried out as per RSPO requirement in both estates on same date by third party.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches, Palm Oil Mill Effluent, and palm residues. Minor Compliance	YES	Both estates had established a nutrient recycling strategy. Palm fronds were stacked in the fields following the railway tract system and L-shaped for decompose and soil moisture conservation purpose.
4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	YES	During the field visit and the review of the soil map noted that no fragile or marginal soils found in the CU.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	YES	NAK BU continued to plant palms within slopes between 9 and 25 degrees as per Boustead Plantations Berhad policy dated in January 2015.

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	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	During the field visit, it was noted road conditions were well maintained in both estates. Accessibility were made possible by regular maintenance guided by its road maintenance programs. The program for grading, re-surfacing and road side pruning had been supported by adequate provisions in the budgets. Surface run off water from roads is directed into fields and drains with well cambered roads and with road side slit pits and road sided drains.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	YES	There were no peat soils in both audited estates.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	YES	Not applicable as there were no peat soils in both estates.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	YES	Not applicable as there were no fragile and problem soils in both estates.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place. Minor Compliance	YES	NAK BU had its Water Management Plan which was established since 2015. The plan was developed in order to maintain the quality and availability of natural water resources by practicing efficient water consumption through various methods such as minimizing wastage of treated water and pollution prevention on natural water sources.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones shall be demonstrated. Major Compliance	NO	The HCV assessment had identified one river flowing into the LTT estate area named Sg Pin and 3 water spring in the estate. Riparian buffer zones and water spring areas were identified and marked. No activities in buffer zone area. Vetiver grass had been planted along the river banks and water spring. During the field visit, there were evidences that these areas were free from chemical spraying and manuring application. The practices are guided by a policy "Polisi Perlindungan Cerun & Zon Penampas Sungai" signed by the Senior Manager of Boustead Plantation. For Nak Estate there is no river flowing inside the estate. Only old drain and stream sighted within the estate, However, a water catchment is found inside the estate. During the visit to the water catchment area, the auditor found that there has been spraying activity carried out at the area. Therefore, Major NCR MZK 02 2017 was raised.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations Minor Compliance	YES	Treatment of effluent from the mill is using the open ponding system. The CU is committed to continually improvement environmental impacts. Among evidence observed: <ul style="list-style-type: none"> • in-progress of commissioning a Tertiary Plant of ETP to reduce the BOD level to 20 mg/l • budget for installation of 1 unit bagging station for Dewatering Machine to reduce solid content. Quality of effluent is continued to be monitored and analysed. The results complied to the conditions of license imposed by DOE to the mill.

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	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	YES	Mill water use per tonne of Fresh Fruit Bunches (FFB) is monitored on monthly basis.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	YES	The procedure is stipulated in the Oil Palm Circular (OPC). The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. The IPM technique for rats includes rearing barn owls (<i>tyto alba</i>), bagworm control includes the planting of beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonan leptopus</i> and <i>Turnera subblata</i> and for rhino beetles is by using pheromone trap.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	YES	At LTTS Estate trainings on IPM implementation for staffs and workers had been carried out. Records showed that training were conducted in Feb 2017 by the Assistant Manager.
C 4.6 Pesticides are used in ways that do not endanger health or the environment	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	YES	The use of all types of agrochemicals at the estates was guided by its SOP. The SOP had included a chemical register list which indicates the purpose of usage, hazards signage, trade and generic names.
	4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance	YES	Both estates had documented programs for spraying pesticides and for rat baiting. Pesticide application was implemented as planned. Records were available to show the types of pesticides used with active ingredients and their LD50, where the pesticides were used, the quantity used, number of applications and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field-cost books and in progress reports.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	YES	As part of the IPM plans, both estates had established nectariferous beneficial plants, nurseries for continuous planting in order to attract natural predators, thus reducing the use of insecticides against leaf eating pest and source of nutrient for the soil. During the visit, it was observed that both estates had a number of beneficial plants ready for planting in the nurseries. Both estates had documented programs for spraying pesticides and for rat baiting. Pesticide application was implemented only as and when required/programmed. EFB application at immature and mature area is applied in single layers rather than dumping it in large amounts. This is to prevent breeding of Rhinoceros Beetles and hence minimize pesticide use. Both estates use AA Mulch mulching sheets at replanting area in order to reduce the usage of chemical in controlling the weeds mainly on palm circle.
	4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are	YES	Both estates only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). There was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and that paraquat, had been used. Most pesticides used were class III & class IV. Pesticide application was

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	not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in acc. with USECHH Reg. (2000). Minor Compliance		implemented only as and when required/programmed. The estates were committed to reduce using chemicals and now have implemented and will continue to only spray Circles (Strip) and noxious weeds.
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers. Major Compliance	YES	Records showed that pesticides were handled, used and applied only by trained persons and as per the MSDS/CSDS of the pesticide. As mentioned under Indicator 4.6.1 both estates had in place SOPs for safe-handing of pesticides. Appropriate safety and application equipment had been provided and used as per the recommendation of the CHRA dated Dec 2014. The employees involved in the chemical handling such as the storekeepers, sprayers, fertilizer and rat bait workers have been trained in chemical handling and they understood the hazards of the chemicals and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to them through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit. All employees involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issuance and replacement records were verified by the auditors. It was also observed that most of the workers in the fields were using an appropriate PPE.
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes. Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Reg. Major Compliance	YES	Pesticides were stored in accordance with the legal requirement. The chemical stores in both estates were well secured and keys held by only the storekeeper and attendant. Record of purchase, storage and used had been properly maintained. All chemicals were segregated and fertilisers were well stacked. Both stores are well ventilated. Only authorised personnel were allowed to handle the chemicals. Relevant MSDS/SDS were available in the stores. Empty pesticides containers had been triple rinsed, holes and punched, and had been stored separately in the scheduled waste store awaiting disposal
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	During the audit, it was noted that NAK BU had not use chemicals categorized by WHO as type 1A or 1B or listed by the Stockholm or Rotterdam Conventions. Paraquat had not been used in the estates.

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	4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	YES	Aerial spraying was not practiced at all Nak BU's estates and there was no evidence to show that it had been carried out in both LTTS Estate and Nak Estate
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be made available. Minor Compliance	YES	The employees such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involved and how the chemicals should be used in a safe manner.
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers/managers demonstrated. Minor Compliance	YES	Field inspection and observation confirmed chemicals were being handled in accordance with the product safety precautions. MSDS were made available at point of use, for example workshop, store, and sstate water treatment plant. Domestic wastes and recycle wastes were segregated by the workers. Only organic wastes are disposed at the landfill. Recycle materials such as cans, glass bottle, plastic bottle and paper are sent to recycle area. Records of disposals were sighted.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, demonstrated. Major Compliance	YES	Annual medical surveillance for sprayers, manure and foreman at LTTS Estate has been conduct in Mar 2016. The report indicated that all workers were fit to work. For Nak Estate, medical surveillance were conducted in Feb 2017 for all sprayer, manurer, foreman, and storekeeper. The report from the doctor has yet to be available during the audit. For NAK POM, medical surveillance for the lab operators, WTP operators, ETP operators and workshop operators were conducted in Oct 2016 by a registered OHD. Report indicated that all workers were fit to work. Audiometry test has also been carried out in the same month. The result indicated that no workers having severe hearing impairment but it advised to wear ear plug and ear muff.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	YES	The estates had policy "handling high toxic pesticide" which stated that no work with pesticides shall be undertaken by pregnant or breast-feeding women. At both estates, identification of pregnancy was done by the HA based on interview with their women workers on the last menstrual period dates. This interview was done during the monthly medical check-up. Pregnancy test was carried on doubtful cases. There was no evidence that work with pesticides was undertaken by pregnant or breast-feeding women.
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be doc. and impl. and its effectiveness monitored. Major Compliance	YES	An Occupational health and safety policy dated 1 June 2012 has been communicated to all levels of employees of the organization. The communication was carried out through briefings and displayed prominently on the notice boards at the mill, estate offices and Muster Ground. The policy is available in both Bahasa Malaysia and English. Random interviewed with the employees showed that they generally understood the basic requirements of the policy.

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The occupational health and safety plan shall cover the following:	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	YES	The HIRARC procedure has been established. LTTs estate have conducted the risk assessment on all its operation as well as determining their control measures. Last review was carried out in Jan 2016. For NAK estate last review was in Oct 2016. Risk assessment on activities such as harvesting, spraying, manuring, pruning, weeding, pest & disease, FFB evacuation, etc., have been carried out and control measures have been determined. For Nak POM, the mill had conducted risk assessment on all its operation as well as determining their control measures. Last review was in Nov 2016 for annually basis. Risk assessment on activities such as grading, loading ramp, sterilizer, digester & press, clarification, etc. have been carried out and control measures determined.
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices. Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	YES	All workers at NAK POM, LTT Estate and Nak Estate were provided with appropriate PPE. The used of the PPE was also witnessed during the field audit e.g. workers at boiler and engine room were provided PPE such as ear muff, helmet, safety boots and glove for Nak Estate and LTT estate, they have provided for harvesters a helmet, a cotton-rubber glove and goggle, for sprayers they provide an apron, helmet, rubber glove, wellington boots and respirator mask.
	4.7.4	The responsible persons shall be identified. There shall be records of regular meetings between the responsible persons/workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	YES	Safety & Health Committee has been established. The OSH safety committee organisation chart for 2017 was available. The mill/estate manager is the chairman and the QA (mill) / assistant manager (LTT) / estate nurse (Nak) is the secretary. Quarterly Safety & Health Committee meetings were held. Reviewed of the minutes of the meeting in 2016/17.
	4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident proc. shall be available in the appr. language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid eq. shall be available at worksites.	YES	Accident and emergency procedures were available in OSHA Manual. Interview with field workers and staffs revealed that they were aware and understood the established procedure. The estate test their emergency response plans at least annually. The fire drill was conducted in Dec 2016 at Nak POM for LTT and Nak estate sighted the plan that the drill will be conducted in September 2017. First aid box was provided to the field mandore at harvesting, spraying and manuring area and made available at strategic locations at the office. The first aid boxes were inspected, the medicines supplied have not expired. Interviews with First Aiders were found to be conversant with rendering first aid practices for minor injuries. There was training records on first aid which is conducted in POM in Nov 2014 and for LTT Estate in Nov 2016.

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		Records of all accidents shall be kept and periodically reviewed. Minor Compliance		
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	Local workers are covered by SOCSO (Pertubuhan Keselamatan Sosial). Foreign workers at Nak POM, Nak Estate and LTT Estate were covered by Workmen Compensation provided as per Compensation Act 1952.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	As to-date, there was no accident happened at LTT Estate. The JKPP 8 was sent to DOSH in Jan 2017. The LTA was monitored through Month Target Zero Accident Records which indicated that the last lost time accident occurred in 2014. At Nak POM, there were 9 accidents happened in 2016. The investigation reports were conducted by the safety committee and JKPP 6 and JKPP 8 was sent to DOSH in a timely manner. At Nak Estate, there were 12 accidents happened in 2016. The investigation reports were conducted by the safety committee and JKPP 6 and JKPP 8 was sent to DOSH in a timely manner.
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	YES	Formal training programmes for 2016/2017 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors by the Nak POM and both estates LTTS and Nak. Year 2017 Training Plan was established in January 2017. A training needs identification matrix has been established with target dates for the training to be conducted. Records were reviewed.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	YES	The employee's training records have been maintained at each of the operating units and training records for training conducted were carried out accordingly.

Principle 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

Clause	Indicators	Comply Yes/No	Findings
C 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	5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance	YES	The CU maintained its documented "Environmental Aspect & Impact Assessment Identification (EAI)". The EAI covered relevant activities / operation of estates and mill, such as: Estate Dispensary, FFB transportation, pest and disease (P&D) Control, fuel usage, scheduled wastes management, chemical / fertiliser usage and storage, harvesting and collection, workshop, road, weeding and spraying, replanting, etc. Mill Sterilisation, threshing, pressing, clarification, deprecating, kernel recovery, boiler, power generation, despatch, laboratory, ETP, workshop, scheduled wastes management, chemical Storage, etc.

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made, implemented and monitored, to demonstrate continual improvement.	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance	YES	Mitigation measures of significant aspects that could negatively affect the environment maintained implemented as per established plans. The plans among others contain actions, responsibilities and timetable.
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	YES	The plans among others contain actions, responsibilities and timetable. The plans were reviewed annually by the management.
C 5.2 The status of rare, threatened or endangered species other 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 operations managed to best ensure that they are maintained and/or enhanced.	5.2.1	Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape level considerations. Major Compliance	YES	A report "High Conservation Value Assessment (HCV) Tabung Tentera Sabah Estate" is available. The study was conducted by appointed consultant and the report was completed in March 2017. The study had covered all the High Conservation Value (HCV) within and adjacent to the LTT Estate. The HCV assessment had identified the HCV 1.2, 1.4 and 4.1 within the estate.
	5.2.2	Where RTE species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	YES	Identification and assessment of HCV habitats or protected areas for LTT Estate was carried out by the appointed consultant. The report "High Conservation Value Assessment (HCV) Tabung Tentera Sabah Estate" dated March 2017 was reviewed. The study had covered all the High Conservation Value (HCV) within and adjacent to the LTT Estate. The HCV assessment had identified the HCV 1.2, 1.4 and 4.1 within the estate. For Nak Estate, the report "High Conservation Value & Social Impact Assessment Boustead Plantations, Sabah, Malaysia" was reviewed by the audit team. It was noted that the report was prepared by Wild Asia (Malaysia) in May 2012 and had identified all the HCV within and adjacent to the Nak CU. The HCV assessment had also identified the RTEs at the Nak, Sutera, and Resort estate. The report has included the management and action plan.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appr. disciplinary	NO	A training programme for year 2017 was established and training records were sighted. However, in Nak Estate, although no HCV has been set aside but, they still have to monitor the water catchment inside the estate as the areas attract migrant bird and mammal in accordance with

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		measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance		recommendation made by the HCV assessor to monitor that area. There is no training on biodiversity/HCV. Hence, Minor NCR MZK 03 2017 was raised.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the action plan. Minor Compliance 	NO	Nak CU is committed to discourage any illegal or inappropriate hunting, fishing or collecting activities. Evidence was seen during the site review that signage to prohibit hunting were erected at HCV area, Riparian Zone and border. Patrolling for Illegal hunting has also been implemented to control illegal activities. Two Weeks monitoring for illegal hunting was conducted by LTT Estate. Records in Dec 2016 to Feb 2017 were sighted. In Nak estate, HCV plan are stated to monitor catchment and the plan stated that monitoring should be done at water catchment area, However, Although AP Patrolling stated to be carried out at the Conservation area, no record were found to proof that monitoring has been done. Therefore Minor MZK 04 2017 was raised.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance	YES	There is no HCV set-asides with existing rights of local communities have been identified in the Nak BU. So, this indicator was not applicable with this CU.
C 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	YES	The CU maintained its documented of identified sources of pollution in: <ul style="list-style-type: none"> Environmental Improvement Plan - Environmental Impact Evaluation (EIE). Waste Management Action Plan 2016/17. Environmental Management Programme (EMP). Pollution Prevention Plan. Identification and Management of Wastewater.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	Non-reusable empty chemical containers were disposed as the scheduled wastes requirements. Reusable agrochemical containers were used for collecting of triple-rinsing wastewater.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance	YES	Documented waste management and disposal plan maintained as contained in: <ul style="list-style-type: none"> Environmental Improvement Plan - Environmental Impact Evaluation (EIE). Waste Management Action Plan 2016/17. Environmental Management Programme (EMP). Pollution Prevention Plan. Identification and Management of Wastewater.
C 5.4 Efficiency of fossil fuel use and the	5.4.1	A plan for improving efficiency of the use of fossil fuels and to	YES	The CU had established a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy. The plan contained in documented "Plan for Improving Fossil Fuel & Palm GHG

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use of renewable energy is optimised.		optimise renewable energy shall be in place and monitored. Minor Compliance		FY 2016/2017". Among others, the plan contain source of usage, means to reduce usage, and monitoring.
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> . Major Compliance	YES	There was no land preparation in the CU by burning ever since Boustead Plantations Berhad practice the zero burning. A policy on the zero burning was established since 11th January 2011. It was also observed that signage " <i>Dilarang Membakar</i> " was available at various locations within the estates.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> . Minor Compliance	YES	There was no evidence that fire had been used to prepare land for replanting in both LTTS and Nak Estate. There was also no evidence of open burning at all the visited replanting areas within the two estates. No fire was used for waste disposal.
C 5.6 Preamble Growers and millers commit to reporting on operational GHG emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions. Growers and millers commit to an implementation period until the end of Dec 2016 for promoting best practices in reporting to the RSPO, and	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent.	YES	The "Environmental Aspect & Impact Assessment Identification (EAI)" had included assessment of gaseous emissions, particulate/soot emissions and effluent.
	5.6.2	Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	YES	The "Environmental Aspect & Impact Assessment Identification (EAI)" had included significant environmental aspect of greenhouse gas (GHG). Plans to reduce the GHG had been documented in "Plan for Improving Fossil Fuel & Palm GHG FY 2016/2017". The plan observed being implemented. Among other, the plan contain source of usage, means to reduce usage, and monitoring.
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance	YES	The CU had calculated its GHG emission using PalmGHG. Latest GHG emission report noted had been submitted to RSPO in Mar 2017.

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thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, incl. GHG, are developed, implemented and monitored.				
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Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, 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 continual improvement.	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	YES	The CU maintained its documented social impact assessment (SIA) dated in May 2012. The CU also had conducted SIA for Ladang Tabung Tentera (LTT Estate) in March 2017. The SIA had included "Stakeholder Consultation Meeting" carried out in May 2016. Among those who attended the meeting were government agencies (Immigration, Police, local authority), neighbours, local community, contractors, suppliers. Record of meeting was sighted.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	YES	The SIA had been conducted with the participation of affected parties. Among affected parties participated the meeting were government agencies (Immigration, Police, local authority), neighbours, local community, contractors, suppliers. Record of meeting was sighted.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, doc. and timetabled, incl. responsibilities for impl. Major Compliance	YES	The CU maintained its plan that addresses the social impacts. The plan documented in "Pelan Penilaian Impak Sosial, 2017". The plan contains among others issues, affected parties, action, timeframe, responsibilities. Among plans and actions were construction of 12 new houses for the workers, repainting of existing worker's houses, construction of 1 unit worker's rest area, construction of 1 unit of <i>surau</i> , changed of harvesting pole from aluminum type to graphite, which is lighter and improved productivity and harvesters' earning and erection of fence for play area of pre-school.
	6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be	YES	The CU had reviewed and updated its plan annually.

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		evidence that the review includes the participation of affected parties. Minor Compliance		
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance	YES	Not applicable as there is no scheme smallholders included in the CU.
C 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	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	YES	NAK CU maintained the established consultation and communication, which describe the procedures and mechanism to be taken should any stakeholders being the external or internal wish to communicate with the company on any issues concerning their interest.
	6.2.2	A mgmt. official responsible for these issues shall be nominated. Minor Compliance	YES	There are evidence the CU have assigned the responsible person in handling all matters and issues pertaining to social. Letter of appointment dated Jan 2015 was sighted.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, is maintained. Minor Compliance	YES	The CU maintained its documented stakeholders list included relevant government agencies, supplier / service providers, contractor, clinics, neighbors, others. Records of invitation and meeting with stakeholders, and action taken in response to input from stakeholders observed were maintained by the CU.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties	6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle-blowers, requested. Major Compliance	YES	The CU maintained its system for dealing with complaints and grievances open to affected parties. However, no complaint or grievance from affected parties was observed.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	YES	Not applicable. No complaint or grievance from affected parties was observed.
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples,	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	YES	The CU maintained its procedure for identifying legal, customary or user rights, and procedure for identifying people entitled to compensation. However, no customary or user rights of affected parties was observed.
	6.4.2	A procedure for calculating and distributing fair compensation shall be established and implemented, monitored and evaluated in a participatory way,	YES	Not applicable. No compensation issue from affected parties was observed.

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local communities and other stakeholders to express their views through their own representative institutions.		and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance		
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	YES	Not applicable. No compensation issue from affected parties was observed.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES	Documented pay slip is available for each of the workers in the CU. The employment contract for piece rated workers at NAK CU has been verified. The terms of reference is signed between employer and employees stipulating the position, working hours, type of work, location of work, workers' responsibility, wages, allowances, holidays, rest days, annual leave, fringe benefits, levy deductions and dismissal.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	YES	The management has explained the employment contracts to all workers although the agreement is written in Bahasa. During interview with foreign workers, noted they understood the employment contract.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, edu. and welfare amenities to national standards or above, in acc. with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no	YES	NAK CU continue to provide housing, water supplies, medical, educational and welfare amenities. These were found to be in accordance with the Workers' Minimum Standard of Housing Standard of Housing and Amenities Act 1990 (Act 446). During working hours, children of 4 years old and below stay at the Creche until their parents finish their job.

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		such public facilities are available or accessible. Minor Compliance		
	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	YES	The CU has provided sundry shops and canteen in order to help their staffs and workers to get their basic food. The estates have listed pricing limit for all the goods.
C 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	YES	Policy of freedom of association is available, dated 11 January 2011 signed by Sr. General Manager, Boustead Plantation Berhad. The policy is displayed at the company's notice board and information wall.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	The evidence sighted in "Minit Mesyuarat Jawatankuasa Persatuan Pekerja Kilang Kelapa Sawit NAK", dated 6 March 2016. The objective of the meeting was to plan program, activity and training to the workers. The meeting also discussed workers problem and improvement and other arising matters from workers. The minute of meeting also sighted for NAK Estate and LTT Estate.
C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	YES	The CU maintained its " <i>Polisi Penggajian Pekerja Kanak-Kanak dan Had Umur Minima</i> " dated 11 January 2011. The policy is displayed at the notice boards and information wall. Observed during site visit and review of worker's profiles confirmed that there was no child labour being used in the CU.
C 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.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	YES	The CU maintained "Polisi Kesamaratan Hak" dated 11 January 2011, signed by Sr. General Manager, Boustead Plantation Berhad. The equal opportunities policy also has been discussed in Gender Committee Meeting.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	YES	The CU maintained "Polisi Kesamaratan Hak" dated 11 January 2011, signed by Sr. General Manager, Boustead Plantation Berhad. The policy states that the company is an equal opportunity employer, whereby the company does not practice discrimination based on race, caste, national, origin, disability, gender, sexual orientation, union membership, political affiliation, or age. There is no evidence of discrimination when a cross-section of employees interviewed. The "Persatuan

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				Pekerja” and Gender Committee also responsible to look into allegation of discrimination if reported.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	YES	The CU continued practised recruitment selection, hiring and promotion based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	NAK Estate, NAK POM and LTT Estate maintained “Polisi Gangguan Seksual”, dated 11 January 2011. The policy has been communicated to all levels of the workforce via briefing and training. NAK Estate, NAK POM and LTT Estate continued to organise Gender Committee Meeting. Among the issues discussed were discussing women problem in occupation, resolved matters, plan activity program and training to women and give ideas and suggestions to the employer.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	NAK Estate, NAK POM and LTT Estate have maintained “Reproductive Rights Policy” which is endorsed by Senior General Manager, Boustead Plantations Berhad. The reproductive rights also has been discussed in Gender Committee Meeting.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	YES	A Flowchart of “Carta Aliran Aduan Tindakan Yang Boleh Diambil Oleh Pengadu Sekiranya Berlaku Kes Gangguan Seksual” had been communicated in Gender Committee Meeting dated 16 th January 2017 and via notice board. “Prosedur Aduan Gangguan Seksual” also sighted with “Borang Aduan Gangguan Seksual”. Interviews with workers noted they understand the flowchart.
C 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for FFB shall be publicly available. Minor Compliance	YES	Not applicable. The mill only received FFB from their own supply bases.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented. Major Compliance	YES	Pricing mechanism for FFB is not applicable as the CU only received FFB from its own supply bases. However, for other input the CU continued practised to purchase any input using Purchase Order or purchase service via agreement respectively.
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	YES	Interviewed with suppliers / contractors observed that the CU had signed and provided contractual agreements to them. They also acknowledged that the agreements were fair, legal and transparent, and they understand the content.

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	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	YES	Interviewed with contractors, suppliers, observed no issue of late payment.
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	YES	The CU continued to contribute to local communities based on consultation with them. Among contributions observed were erection of fence for play area of pre-school, sponsored of sport event of pre-school, financial assistance for convocation event of pre-school and permission for school to use grass-cutting machine.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	YES	Not applicable. There was no scheme smallholders included in the CU.
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	YES	Based on interviewed with foreign workers, there was no evidence of forced or trafficked labour in the NAK BU. Auditor has verified through workers work agreement and pay slip.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	There was no contract substitution sighted in the Business Unit.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	A special labour policy for employment of foreign workers has been addressed in the social policy. The policy mentioned that all employees should be treated fairly in terms of recruitment, terms and conditions of work, provide decent living, no contract substitution and post arrival programme will be conducted once arrived for three months.
C 6.13 Growers and millers respect human rights	6.13.1	A policy to respect human rights shall be doc. and comm. to all levels of the workforce and operations. Major Compliance	YES	Human Rights Policy signed by Senior General Manager, Boustead Plantation Berhad maintained available. The policy applies to every employees in the company.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	NO	There were evidence NAK POM provide children transport subsidy. There is Humana School in LTT Estate that provides access to education for children of foreign workers. There are two (2) teachers and 80 pupils in the school. However, children of foreign workers in Nak Estate was not provided access to education. Therefore, Minor NCR MAR 02/2017 was raised.

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Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Auditors has verified through www.globalforestwatch.com , GOOGLE Maps Data, Estate Maps and through site visit and confirmed that there are no new planting at the Nak BU. No new development of area was also observed during the visit. Thus Principle 7 is not applicable.

Principle 8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		
	a)	Reduction in use of pesticides(Criterion 4.6);	YES	Both estates continued to manage pests, disease and weeds using appropriate IPM techniques. In order to minimize use of insecticides, the estates have established nurseries for beneficial plants mainly <i>Tunera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> . This was to ensure continuity in the planting of beneficial plants. The estates were committed to reduce the use of chemicals. The estates have implemented and will continue to only spray Circles (Strip) and noxious weeds. Spraying was only carried when required. Soft weeds and <i>Nephrolepis bisserata</i> were maintained and encouraged in the inter rows. EFB was applied in single layers and was not dumped in large amounts to prevent breeding of Rhinoceros Beetles. To ensure efficient loose fruit collection, circle raking was carried to avoid VOPs from merged and for the purpose to reduce of chemical usage.
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	The CU maintained established and implemented environmental improvement plans and measures. Among the relevant plans and measures were Environmental Improvement Plan - Environmental Impact Evaluation (EIE), Waste Management Action Plan 2016/17, Environmental Management Programme (EMP), Pollution Prevention Plan, Identification and Management of Wastewater, “Prosedur Untuk Pelupusan Sampah Domestik / Bahan Buangan Setempat” and “Prosedur 3 Kali Pembilasan Bekas Simpanan”. Among content of plans were reduction of diesel usage / GHG emission and POME generation, maintain water quality, reduce soil erosion, reduce usage of chemical, reduce land contamination. improve soil fertility and reduce waste.
	c)	Waste reduction (Criterion 5.3);	YES	The CU continued established and implemented waste reduction plans. Among the plans were: <ul style="list-style-type: none"> Environmental Improvement Plan - Environmental Impact Evaluation (EIE).

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				<ul style="list-style-type: none"> • Waste Management Action Plan 2016/17. • Environmental Management Programme (EMP). • Pollution Prevention Plan. • Identification and Management of Wastewater. <p>Among the type of wastes are agricultural organic wastes, rubbish, used oils, used batteries, empty pesticide containers, clinical waste, scrap iron, wastewater, etc. Non-reusable empty chemical containers were disposed as per relevant requirements of scheduled wastes. Reusable agrochemical containers were used for collecting of triple-rinsing wastewater. Scheduled wastes were labelled with relevant information and hazard sign, and disposed to DOE's licensed contractor.</p>
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	The CU continued to establish and implement GHG emission reduction plan. Among the plan implemented were replacement of 2 unit of tractors of less fuel consumption, installation of 3 unit of solar panel for lighting of guard houses, and periodical maintenance of tractor and power generator, application of organic material (biomass) as fertiliser.
	e)	Social impacts (Criterion 6.1);	YES	The CU continued to establish and implement the social improvement / action plan. The plan contains among others issues, affected parties, action, timeframe, responsibilities. Among plans and actions were construction of 12 new houses for the workers, repainting of existing worker's houses, construction of 1 unit worker's rest area, construction of 1 unit of <i>surau</i> , changed of harvesting pole from aluminum type to graphite, which is lighter and improved productivity and harvesters' earning and erection of fence for play area of pre-school.
	f)	Encourage optimising the yield of the supply base	YES	In order to optimise yields, both LTTS Estate and Nak Estate were committed to implement best agricultural practices inclusive of timely and proper fertiliser application, Improve on accessibility to maximise crop evacuation, maintaining harvesting interval below 10 days, To collect all loose fruit to minimise losses, water bodies and water conservation pits were constructed to conserve moisture.

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Attachment 4

Details of Non-conformities and Corrective Actions Taken for RSPO P&C MYNI 2014

P & C Indicator	Specific ation Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Auditors
Indicator 2.1.1	Major	#NCR No : RAR 01-2017 Finding : Noncompliance against the Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 10 Objective evidence : At Nak Estate the CHRA was not carried out in 5 years interval. Last assessment was conducted on 04/11/2008.	Corrective Action: CHRA was misplace during the audit, The filing system has been improved and the file been placed at the appropriate place. Immediately. Auditor Verification: Auditor has received copy of latest CHRA which was dated 16/12/13, conducted by appointed consultant. Status: Closed
Indicator 2.1.2	Minor	#NCR No : MZK 01 2017 Finding : The indicator requirement regarding to Legal Register was not complied with Objective evidence : LTT estate and Nak Estate - Legal Register at LTT and Nak estate was not updated to include Minimum Wages Order 2016, Sabah Land Code, Environmental Quality Act 1974 amended 2014 regarding to competent person and etc	Corrective Action: The staff in-charge was refer and liaise with the Nak Palm Oil Mill regarding the legal register format requirement. The Legal register Minimum Wages Order 2016, Sabah Land Code, Environmental Quality Act 1974 amended 2014 now has been prepared and updated. Auditor Verification: Corrective action plan accepted Status: Open. The effectiveness of the corrective action will be verify during next audit.
Indicator 4.1.3	Minor	#NCR No : MAR 01 2017 Finding: Rat baiting campaign does not fall below 20%, but no campaign continued to comply as document from Applied Agricultural Resources Sdn Bhd for NAK Estate. Objective evidence: Nak Estate - Assessment of bait acceptance at sampled fields showing that the rat baiting campaign did not stop below 20% acceptance.	Corrective Action: Nak Estate will ensure that enough bait in the future in order the campaign will be implemented as per Operating Procedure. We also will be looking for other supplier which able to supply sufficient quantity of rat bait. Besides that, we will also ensure the training will be conducted before the campaign. Will be implemented immediately. Auditor Verification: Corrective action plan accepted. Status: Open. The effectiveness of the corrective action will be verify during next audit
Indicator 4.4.2	Major	#NCR No : MZK 02 2017 Finding: Management did not maintain their buffer zones and prevent from any chemical activities. Objective evidence: Nak Estate 1. During site review at Pond/Lake at sampled block, auditor has found that buffer zone mark was not maintained and no signage has been placed.	Corrective Action: Repainting has been done for each palm that located 20 meter from the pond using white and red paint at the palm trunk. Fencing using barb wire also been installed and also 3 units of signboard has been installed at the pond area to prohibited people from carrying out any activities at the range of 20 meter from the pond. Planting of fern such as <i>Nephrolepis biserrata</i> has been carried out. Training also been conducted immediately to all the sprayers in order not doing spraying on that prohibited area. Completion Date: 15 th April 2017

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		2. And there was a sign of spraying activities in the buffer zone area.	<p>Auditor Verification: Auditor has received pictures of signage and fencing which has been constructed. Sighted pictures of fern which has been planted by the Estate. Status: Closed</p>
Indicator 5.2.3	Minor	<p>#NCR No : MZK 03 2017 Finding : The indicator requirement regarding to training on HCV/RTE was not complied with Objective evidence : Nak Estate - Although no HCV has been set aside but pond/lake at block 96C area still attract bird, migrant bird and small mammal. as per recommended by the HCV assessor the estate must give training/awareness to workers regarding to this Bio Diversity, However, sighted that there is no programme/training regularly regarding to Biodiversity/HCV</p>	<p>Corrective Action: Training regarding the biodiversity has been conducted to all workers during morning muster ground. 3 units signboard pertaining protected animals and the related law and regulation has been installed in month of March 2017. Auditor Verification: Corrective action plan accepted Status: Open. The effectiveness of the corrective action will be verified during next audit.</p>
Indicator 5.2.4	Minor	<p>#NCR No : MZK 04 2017 Finding : The indicator requirement regarding to Monitoring HCV/Conservation Area was not complied with Objective evidence : Nak Estate - Although AP Patrolling stated to be carried out at Conservation area, no record has been showed to Auditor to proof that monitoring has been done.</p>	<p>Corrective Action: The AP patrolling book for monitoring the conservation area has been provided and now in use. Has been implemented in March 2017. Auditor Verification: Corrective action plan accepted Status: Open. The effectiveness of the corrective action will be verified during next audit.</p>
Indicator 6.13.2	Minor	<p>#NCR No : MAR 02 2017 Finding : There is no evidence that the children in NAK Estate has been provided with access to education as a moral obligation. Objective evidence : There are children of foreign workers in Nak Estate not provided access to education.</p>	<p>Corrective Action: The renovation process of the kindergarten building are still in progress. This building was agreed by the Planting Advisor to convert it to HUMANA school by 2018. The estate management will liaise with the Indonesia Consulate in month of September 2017 pertaining the requirement and also the preparation for establishment of the HUMANA school. Completion Date: End of Year 2017. Auditor Verification: Corrective action plan accepted Status: Open. The effectiveness of the corrective action will be verified during next audit.</p>

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Attachment 5

RSPO Supply Chain at the NAK palm oil mill – Identity Preserved Model – Module D

Item No	Requirement NOV 2014	Findings Standard Nov 2014	
D.1 D.1.1	<p>Defination</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p> <p>To verify :</p> <p>a) the volume of certified FFB entering the mill b) the volume sales of RSPO certified</p> <p>The claim only the volume of oil palm products produced from processing of the certified FFB as IP</p>	Actual (March 2016 – Feb 2017)	
			<u>MT</u> 67,659.52
		a) FFB Received	
		RSPO	67,659.52
		Non-RSPO	0
		FFB Processed	67,659.52
		RSPO	67,659.52
		Non-RSPO	0
		CPO Production	14,515.00
		PK Production	2,653.00
		b) Delivery of CPO	14,515.00
		RSPO(IP)	11,094.63
		RSPO(MB)	1,094.63
		Non-RSPO	2,339.86
		Delivery of PK	2,678.41
		RSPO (IP)	1,326.70
		RSPO(MB)	1,351.71
		Non-RSPO	
D.2 D.2.1	<p>Explanation</p> <p>Estimate total tonnage of CPO and PK potentially produce in a year</p>	Projection (March 2017 – Feb 2018)	
			<u>MT</u> 105,100.00
		(1) FFB Received	
		RSPO	105,100.00
		Non-RSPO	0
		(2) FFB Processed	105,100.00
		RSPO	105,100.00
		Non-RSPO	0
		(3) CPO Production	22,333.75
		(4) PK Production	4,624.40
D.2 D.2.2	<p>Explanation</p> <p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim.</p>	Bousted Gradient Sdn Bhd – Boustead Nak Business Unit has registered RSPO e-Trace. The member ID is RSPO_PO10000002706	

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<p>D 3 D 3.1</p>	<p>Documented procedures The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>a) An integrated RSPO: Supply Chain procedure revised dated July 2016 describing the procedures on the following activities related on its supply chain certification standard required by the RSPO. The Procedure was sighted and found all elements were covered which included</p> <ul style="list-style-type: none"> • 4.0 Responsibilities • 5.0 Control of Documents • 6.0 Delivery of FFB the Estates (FFB) • 7.0 Receiving FFB at the Mill • 8.0 Process monitoring • 9.0 CPO and PK Despatch • 10.0 Product Claims • 11.0 Outsourced Contractor • 12.0 Training • 13.0 Management Review & Audit • 14.0 Reclassification of Mill's Supply • 15.0 Production Volume <p>b) The RSPO Chairman has the overall responsibility and authority over the implementation of the supply chain requirements. It was noted RSPO Chairman has assigned Nak Mill Manager to ensure the implementation of supply chain procedure met the RSPO requirements. Interviewed with relevant person in-charge at critical control point was revealed they are understood on the RSPO standard requirements which requires no mixing of RSPO certified and non RSPO certified material in receiving, processing, storage and delivery.</p>
<p>D 3.2</p>	<p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Receiving of certified and non-certified FFB procedure is stated in section 7.0 (Receiving FFB at the Mill) of RSPO: Supply Chain procedure revised dated July 2016.</p>
<p>D.4</p>	<p>Purchasing and goods in</p>	
<p>D.4.1</p>	<p>The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>All certified FFB came from own supply base/estates namely Nak Estate, Resort Estate, Sutera Estate and Ladang Tabung Tentera (LTT) Estate. All delivery documents of certified FFB were verified to ensure the certified status of the FFB. Volumes of certified FFBs received by the mill had been properly recorded and monitored.</p>
<p>D 4.2</p>	<p>The site shall inform the CB immediately if there is a projected overproduction.</p>	<p>Based on records of FFB received and CPO & PK produced, there was no overproduction observed.</p>
<p>D.5</p>	<p>Record keeping</p>	
<p>D.5.1</p>	<p>The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>Nak POM has maintained the three-monthly accounting system to record RSPO certified FFB and deliveries of RSPO certified CPO and PK. Record entitle "Identity Preserved Records for Oil Mills". For year 2016, Bousted Gradient Sdn Bhd (Boustead Nak Business Unit) monitored their incoming of FFB and outgoing of certified CPO product on three monthly basis. This records contain information about certified FFB received, process, CPO & PK production and todote balance stock (refer attached "Identity Preserved Record for Oil Mills" summary report).</p>
<p>D 6</p>	<p>The site shall assure and verify through documented procedures and</p>	
<p>D.6.1</p>	<p>record keeping that the RSPO certified oil palm product is kept</p>	<p>Through interview with FFB grader, Weighbridge staff, mill supervisor and Mill Manager, it was confirmed that the mill has not received and processed any non-certified FFB. Sighted</p>

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	segregated from noncertified material including during transport and storage.	weighbridge summary reports which confirmed that all FFB were from its own estate i.e. . Nak Estate, Sutera Estate and Resort Estate.
D.6.2	The objective is for 100 % segregated material to be reached.	Nak POM does not accept any non-certified FFB. It was confirmed through weighbridge summary report therefore CPO and PK can be considered 100% segregated.

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Attachment 6

Status of Non-conformities Previously Identified

P & C Indicator	Spec. Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
Indicator 2.1.1	Major	<p>#NCR No : MZK 01 2016</p> <p>1. Non-compliance against the Environment Quality (Scheduled Waste) Regulation 2005, where the disposal of scheduled waste at Sutera estate, Resort Estate and Nak POM was found to be not complying to regulation 4. The following was sighted during the field visit:</p> <ul style="list-style-type: none"> - At Nak POM SW 305, SW 306 and SW 410 date generated from 6/5/2015, 12/6/2015 and 2/9/2015 was not disposed accordingly. - At Sutera Estate SW 305 and SW 102 date generated from 17/11/2014 and 19/11/2014 was not disposed accordingly. - At Resort Estate SW 305 date generated from 25/1/2015 was not disposed accordingly. 	<p>Corrective Action: To dispose scheduled wastes through Legenda Bumimas Sdn Bhd. (Approval Contractor by DOE)</p> <p>Auditor Verification:</p> <ol style="list-style-type: none"> 1. Auditor has received Consignment Notes (Sixth Schedule) that the Scheduled waste at Nak POM disposed at 27/4/2016 2. Auditor has received Consignment Notes (Sixth schedule) that the scheduled wastes at Sutera Estate disposed at 28/4/2016. 3. Auditor has received Consignment Notes (Sixth Schedule) that the Scheduled waste at Resort Estate disposed at 29/4/2016 <p>Status: Closed</p>	<p>Scheduled wastes had been disposed within the time limit stipulated by the law. Inventory and disposal records were sighted.</p> <p>Status: Closed</p>
Indicator 4.2.1	Minor	<p>#NCR No : MNAJ 01 2016</p> <p>Good agriculture practices, as contained in Standard Operating Procedures (SOPs), was not fully followed to manage the soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <ul style="list-style-type: none"> - It was found that at Sutera Estate in Field PJ 12 , the personnel were spreading fertilizer NKA 1 over the frond heap which was not as per the SOP (O.P.C.No. 03.b) and Oil Palm Manuring Recommendations 2016 by Applied Agricultural Resources. 	<p>Corrective Action: The management will provide a plan and checklist to staffs and workers before manuring work to be carried out to the field. Briefing and training also will be given to staffs and workers regarding to a placement of fertilizer</p> <p>Auditor Verification: Corrective action plan accepted</p> <p>Status: Closed.</p>	<p>During site visit at Nak Estate PM94A it was observed that application fertilizer was according to the O.P.C.No. 03.b and Oil Palm Manuring Recommendations 2017 by Applied Agricultural Resources.</p> <p>Status: Closed.</p>
Indicator 4.5.2	Minor	<p>#NCR No : MNAJ 02 2016</p> <p>No evident of records of training of those involved in IPM implementation at Resort Estate.</p>	<p>Corrective Action IPM training Plan has been established, The estate will strictly follow the plan as per requirement. Training also has been given at 13/4/2016</p> <p>Auditor Verification: Corrective action plan accepted</p> <p>Status: closed</p>	<p>At LTTS Estate trainings on IPM implementation for staffs and workers had been carried out. Records showed that training were conducted in 18 February 2017 by Assistant Manager Zainul Azizi Hisamuddin and was attend by 6 workers. For NAK Estate had maintained IPM training on "Prosedur Kerja Selamat Meracon Tikus" which was</p>

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				held on 14 February 2017. The IPM training was conducted by Assistant Manager, Mr Danny Toisin, attended by field staff and four (4) workers. Status: Closed
Indicator 4.7.3	Major	#NCR No : MRS 01 2016 Protective equipment for pesticide sprayers workers was not appropriate. - During site visit at BJ12, Sutera Estate, 3 of 7 sprayers were wearing N95 (3M 8210) dust mask during spraying. Not as recommended by CHRA report – approved organic vapour (OV) respirator or disposable carbon particles mask. - It was also observed that one of the sprayers was wearing a half cut boot during pesticide spraying	Corrective Action: Sutera estate has provided all suitable PPE to Sprayer as Per CHRA recommendation, The training also has been conducted on 19 April 2016 by Agri Blossom (Chemical Supplier) Auditor Verification: Auditor has received PPE Training records dated 19 April 2016 and also Monitoring records at CDA sprayer gang and CKS Sprayer gang dated 20 and 21 April 2016 Status: Closed	Auditor had verified the records of issuance of PPE at Nak Estate and LTTS Estate. Also during site visit at PM 94A Nak Estate and 1998 area at LTTS Estate it was found all sprayers was using PPE according to recommendation by CHRA and HIRARC. Training had also been provided to the sprayers. Status: Closed
Indicator 5.3.3	Minor	#NCR No : MZK 02 2016 A waste management and disposal plan to avoid or reduce pollution shall be implemented and as per 1.4.4 Handling, Storing and Labelling. The date of first generated shall be clearly label and shall be with applicable code. Sighted that: - At Resort and Sutera Estate, the hazard sign, waste code , date when the scheduled wastes are first generated, name, address and telephone number of the estate were not clearly labelled on the waste containers (i.e. Used Rags and spent battery). - At Nak mill, the hazard sign, waste code , date when the scheduled wastes are first generated, name address telephone number of the estate not clearly labelled on the waste containers (i.e. Chemical container and spent battery).	Corrective Action: The Nak CU has developed plan to monitor the scheduled waste and Label back the Container, Spent battery and used Rags with proper label approved by DOE. Auditor Verification: Corrective action plan accepted Status: The effectiveness of the corrective action will be verify during next audit.	Scheduled wastes had been labelled with relevant information and hazard sign. Status: Closed
Indicator 5.4.1	Minor	#NCR No : MZK 03 2016 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Sighted that no documentation of improving efficiency of the use of fossil fuels at Resort Estate and Nak POM.	Corrective Action Nak POM and Resort Estate has developed a plan for improving fossil fuel, and the monitoring process will be verified on next audit. Auditor Verification: Corrective action plan accepted	The CU had established a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy. The plan and usage of energy observed monitored monthly. Status: Closed

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			Status: The effectiveness of the corrective action will be verify during next audit.	
Indicator 5.6.3	Minor	<p>#NCR No : MZK 04 2016 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Sighted that no report on significant pollutants and emissions from estate and mill operations, using appropriate tools at Boustead Nak Business Unit.</p>	<p>Corrective Action The Nak CU has decided to use Palm GHG calculator by RSPO, sighted evidence calculation has been done at Sutera Estate dated 9 June 2016 and for Nak POM and Resort Estate planning for Calculation by end of June 2016 Auditor Verification: Corrective action plan accepted Status: The effectiveness of the corrective action will be verify during next audit.</p>	<p>The CU had calculated its GHG emission using the RSPO PalmGHG. Latest GHG emission report had been submitted to RSPO on 8/3/17. Status: Closed</p>

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Attachment 7

Boustead Plantations Berhad Time-bound Plan for RSPO Certification.

Business Unit	2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	1	2	3	4	5	6	7	8	9	10	11
Sg. Jernih Business Unit											
Nak Business Unit ,											
TRP Business Unit											
Segaria Business Unit											
Telok Sengat Business Unit											
Segamaha Business Unit											
Lapan Kabu Business Unit											
Sugut Estates Business,											
Loagan Business Unit											
Kanowit Business Unit											