

**RSPO PRINCIPLE AND CRITERIA
2nd Annual Surveillance Assessment (ASA2_1)
Public Summary Report**

Carotino/JC Chang Group
Head Office: Unit 30-01, Level 30, Menara Landmark No. 12, Jalan Ngee Heng 80000 Johor Bahru Johor, Malaysia
Carotino Palm Oil Mill (Carotino Production Unit) and supply base PT 116, Lot No. 3840 Mukim Ulu Lepar 26500 Kuantan Pahang, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	2-0029-06-000-00	Date	Member since: 5 March 2010
Company Name	Carotino/JC Chang Group		
Address	Head office : Unit 30-01, Level 30, Menara Landmark, No. 12, Jalan Ngee Heng 80000 Johor Bahru, Johor, Malaysia Certification unit : Carotino Palm Oil Mill, PT 116, Lot No. 3840, Mukim Ulu Lepar 26500 Kuantan, Pahang, Malaysia		
Subsidiary of (if applicable)	Not applicable		
Contact Name	Mr Seow Chee Chiang (Estate Department Manager: Admin/Sustainability)		
Website	www.carotino.com	E-mail	seowcc@jcc.com.my
Telephone	07 – 2231 633 (Head Office) 089 – 567012 (Mill)	Facsimile	07 224 1546 (Head Office) 089 – 563091 (Mill)

2. Certification Information			
Certificate Number	RSPO 649410	Certificate Issued Date	27/04/2010
		Expiry Date	26/04/2020
Scope of Certification	Palm Oil and Palm Kernel Production from Carotino Palm Oil Mill and Supply Base (Asia Oil Palm Estate 1, Hwa Li Estate 1, Hwa Li Estate 2, Maran Estate, Pahang Oil Palm Estate 1)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO	MSPO 2530-3:2013 Part 3 & MS 2530-4:2013 Part 4	DQS	24/03/2021
EU-ISCC-Cert-DE100-20152576	ISCC EU (International Sustainability and Carbon Certification)	SGS	28/9/2017

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Carotino Palm Oil Mill (45 mt/hr)	PT 116, Lot 3480, Mukim Ulu Lepar, Kuantan, Pahang	102° 49' 5.5668"	3° 48'59.8572"
Asia Oil Palm Estate 1	Lot 221, 222, 270, 271, 927, Mukim Ulu Lepar, Kuantan Pahang	102° 47' 49.9956"	3° 49' 40.3104"
Hwa Li Estate 1	Lot 51-56, 317-318, 415-416, 513, 523,	103° 1' 59.412"	2° 44' 40.7364"

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	524, Blok 16, Mukim Keratong, Rompin, Pahang		
Hwa Li Estate 2	Lot 2389, Mukim Bera, Bera, Pahang	102° 43' 29.2188"	2° 50' 43.2564"
Maran Estate	Lot 929, 6460, 245, 351, 957, 930, Mukim Lepar, Kuantan Pahang	102° 50' 42.9396"	3° 44' 31.2828"
Pahang Oil Palm Estate 1	Lot No. 5, HS(D) 64, 3820/2843, 528, 3848, 3850, Mukim Ulu Lepar, Sri Jaya, Kuantan Pahang	102° 49' 13.8684"	3° 48' 35.4024"

4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Infras & Other (ha)	HCV (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Asia Oil Palm Estate 1	1,948.71	0	192.11	-	1,948.71	2,140.82	91.03
Hwa Li Estate 1	1,798.36	131.38	232.11	-	1,929.74	2,161.85	89.26
Hwa Li Estate 2	1,028.94	482.51	147.76	-	1,511.45	1,659.21	91.09
Maran Estate	1,419.90	364.41	356.51	-	1,784.31	2,140.82	83.35
Pahang Oil Palm Estate 1	1,835.21	0	305.54	-	1,835.21	2,140.75	85.73
Total	8,031.12	978.30	1,234.03	-	9,009.42	10,243.5	87.95

Note: Infras = infrastructure

*Total planted area reduced due to re-survey of area. 0.46 ha is now under other areas (conservation) for Pahang Oil Palm Estate 1

5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (ASA2_1) (Feb 2016 – Jan 2017)	Actual (ASA2_1) (Feb 2016 – Jan 2017)	Forecast (ASA3_1) (Feb 2017 – Jan 2018)
Asia Oil Palm Estate 1	0	403.49	1,545.22	0	0	45,072.15	33,616.86	45,785.22
Hwa Li Estate 1	131.38	304.51	1,493.85	0	0	16,211.00	14,392.76	34,367.80
Hwa Li Estate 2	482.51	0	0	386.35	642.59	24,778.23	20,475.77	21,096.91
Maran Estate	364.41	1,189.85	118.03	112.02	0	26,637.41	19,076.65	25,932.82
Pahang Oil Palm Estate 1	0	950.74	884.47	0	0	41,286.72	31,699.27	42,028.58
Total	978.3	2,848.59	4,041.57	498.37	642.59	153,985.51	119,261.31	169,211.33

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6. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (ASA2_1) (Feb 2016 – Jan 2017)	Actual (ASA2_1) (Feb 2016 – Jan 2017)	Forecast (ASA3_1) (Feb 2017 – Jan 2018)
Asia Oil Palm Estate 1	45,072.15	33,616.86	45,785.22
Hwa Li Estate 1	16,211.00	14,392.76	34,367.80
Hwa Li Estate 2	24,778.23	20,475.77	21,096.91
Maran Estate	26,637.41	19,076.65	25,932.82
Pahang Oil Palm Estate 1	41,286.72	31,699.27	42,028.58
Total	153,985.51	119,261.31	169,211.33

7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (ASA2_1) (Feb 2016 – Jan 2017)	Actual (ASA2_1) (Feb 2016 – Jan 2017)	Forecast (ASA3_1) (Feb 2017 – Jan 2018)
N/A			

8. Certified Tonnage									
Mill	Estimated (ASA2_1) (Feb 2016 – Jan 2017)			Actual (ASA2_1) (Feb 2016 – Jan 2017)			Forecast (ASA2_1) (Feb 2017 – Jan 2018)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Carotino Palm Oil Mill	153,985.51	31,680.20	8,130.35	119,261.31	24,023.37	5,909.308	169,211.32	34,688.32	8,849.75

Forecast OER: 20.5%, KER:5.23%

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia. BSI is accredited for RSPO Supply Chain Certification Systems (SCCS) and Principles & Criteria for Sustainable Palm Oil Production (P&C, Single Site & Group) certification Worldwide.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 6 – 8 February 2017. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (Hwa Li Estate 1 and Hwa Li Estate 2). A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base. The estates sample were determined based on formula $N = 0.8\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the RSPO Certification Requirement for Group Certification Standard 2016. The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder (when applicable) is listed in Appendix J.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

All the previous nonconformities are remains closed. The assessment findings for the 2nd Annual Surveillance Assessment are detailed in Section 3.3.

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

This summary report was reviewed by BSI internal certification reviewer prior to certification decision.

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

1. Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA4)
Carotino Palm Oil Mill (Mill capacity : 45 mt/hr)	√	√	√	√	√
Asia Oil Palm Estate 1				√	
Hwa Li Estate 1			√		
Hw Li Estate 2			√		
Maran Estate		√			√
Pahang Oil Palm Estate 1		√		√	√

[Click here to enter a date.](#)

Tentative Date of Next Visit: February 6, 2018 – February 8, 2018

Total No. of Mandays: 9 mandays

BSI Assessment Team:

Mohamed Hidhir Bin Zainal Abidin – Lead Auditor

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

Hoo Boon Han – Team Member

He holds Master of Technology (Environmental Management) from the University Malaya and Bachelor of Science Forestry (Hons) Majored in International Tropical Forestry from University Malaysia Sabah. He has more than 3 years working experience in environmental monitoring & audit, carbon accounting & reduction, wastewater treatment, waste management and sustainable development. He has successfully completed the RSPO Lead Auditor and RSPO Supply Chain Training in April 2012. He has been involved in RSPO P&C audit in Indonesia and Malaysia as well as RSPO SC audit across different region including Asia, Europe and North America for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, social and community engagements, stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English and Mandarin.

Mohd Hafiz Bin Mat Hussain – Team Member

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since May 2013 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

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

- Carotino/JC Chang Group Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO P&C PNG-NIWG 2016 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Supply Chain Certification Checklist November 2014
- RSPO P&C 2013 Generic Checklist

3.2 Progress against Time Bound Plan

Carotino/JC Chang Group Time Bound Plan (TBP) is included as Appendix B. JC Chang Group has achieved RSPO certification for 3 management units in Malaysia and pending for 1 management unit in Sabah. There are no any changes in the existing certified units in Malaysia. All units' certifications are valid.

There was no change of the Time Bound Plan (TBP) for JC Chang group where Takon Certification Unit is going for certification in 2016. Pre-certification audit was done by previous CB, SGS (Malaysia) Sdn Bhd on 7-10 December 2015 as to conduct gap analysis as well as to check compliance against the TBP for JC Chang Group. Details of the TBP compliance can be found below:

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	Yes	Yes
Is the time bound plan challenging? <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	The time bound plan is challenging enough.	Yes
Have there been any changes since the last audit? Are they	As of this year, no changes as per submitted to ACOP. Refer to the latest ACOP,	Yes

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justified?	http://www.rspo.org/file/acop2015/submissions/carotino-%20jc%20chang%20group-ACOP2015.pdf 100% RSPO certification to all production units expected to be completed by 2018.	
If there have been changes, what circumstances have occurred?	No changes of TBP as per the latest ACOP. The only pending issue for Takon Production unit is HCV disclosure approval by RSPO. Certification audit will proceed once approval has been granted from RSPO.	Yes
Have there been any stakeholder comments?	No	Yes
Have there been any newly acquired subsidiaries?	No	Yes
Have there been any isolated lapses in implementation of the plan?	No	Yes
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. Internal audits are done by Group's internal audit team. Reports consist of root-cause analysis and action plan to mitigate the non-compliances detected by the team for Asia Production Unit.	Yes
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	As of today, there are no areas under the Group that requires compliance to Principle 7 for Carotino Production Unit.	Yes
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	The only new planting that occur after Jan 1 st 2010 are replanting from oil palm to oil palm for Carotino Production Unit.	Yes
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No land conflicts for Carotino Production Unit.	Yes
Any Labor disputes are being resolved through a mutually agreed	No disputes as of today for Carotino Production Unit.	Yes

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process, in accordance with RSPO criterion 6.3.		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. Internal audits are done by Group’s internal audit team. Reports consist of root-cause analysis and action plan to mitigate the non-compliances detected by the team for Carotino Production Unit.	Yes
Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	No non-compliances as of today for Carotino Production Unit.	Yes

Due to the present land conflict issue at Takon Certification Unit, the management has decided to exclude the area at point of certification. The engagement process is still on going with the claimants as well as with the Land Officer Department on the conflicted land. Pre-assessment was conducted by SGS (Malaysia) Sdn Bhd on 7-10 December 2015. The final decision of issuing the certificate is under the CB that audited the Takon Certification Unit which will undergo initial certification audit in 2017. BSI understands that there are community issue still under negotiation through agreed process. The improvement is in progress all parties as mutually agreed process. Latest meeting among the community and Takon Certification Unit managemnet was held on 15 October 2015. The current status details are provided in the Appendix B. BSI has considered that Carotino/JC Chang Group is still comply with the RSPO requirement for partial certification.

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
3. The changes in the Time bound Plan for Takon Certification unit was justified and appropriate.

BSI has just involved with assessments of JC Chang Group beginning of 2016. BSI is also communicating with other Certification Bodies that auditing JC Chang’s other operating units to identify any noncompliance with rules of partial certification as per requirement in RSPO Certification System. During this assessment BSI has contacted the certification body that audited Carotino Certification Unit to conduct transfer certification due to the accreditation status of previous CB terminated effective 31 December 2015. Other than the uncertified unit in Sabah particularly Takon Certification Unit, at the time of preparation of this Report, BSI is not aware of any new issues involving:

- a. Any unresolved significant land disputes;
- b. Any replacement of primary forest or loss of HCVs;
- c. Any labour disputes that are not being resolved through an agreed process;
- d. Any evidence of noncompliance with any law at any of the landholdings.

BSI considers that Carotino/JC Chang Group complies with the RSPO requirements for Partial Certification rules.

3.3 Details of findings

During the 2nd Annual Surveillance Assessment there was no NCR raised. The summary report of the assessment by criteria is listed in Appendix A.

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Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Requirements Not applicable	Minor
	Evidence of Nonconformity	
	Statement of Nonconformity	
	Corrective Actions	
	Assessment Conclusion	

Observation	
OBS #	Description
	Nil

Positive Findings	
PF #	Description
1	Good commitment from management team and site personel.
2	All operating units has maintained good relationship with the local community and other stakeholders. Positive feedback was given to the audit team during interview

Issues raised by Stakeholders	
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Carotino Palm Oil Mill Certification Unit’s environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>	
IS #	Description
1	<p>Issues: Sundry Shop in POM. Up to date, there is no any issue in operating the sundry shop.</p> <p>Management Responses: Management will continue monitor the pricing in the shop to ensure always in the affordable range.</p>

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	<p>Audit Team Findings: No further comment.</p>
2	<p>Issues: Eng Lee Sing S/B as the FFB transporter well aware of the company implementing RSPO certification. They joined the safety briefing conducted by the company. No issue on the payment and it is on time.</p>
	<p>Management Responses: Payment is made as per the agreed terms.</p>
	<p>Audit Team Findings: No other issue.</p>
3	<p>Issues: Pasa Village- A No land dispute issue reported. Trenches and road were constructed to demarcate the boundary. The management acknowledged it and will maintain the boundary according to land title.</p>
	<p>Management Responses: The management acknowledged it and will maintain the boundary according to land title and good relationship with the villager.</p>
	<p>Audit Team Findings: No further issue.</p>
4	<p>Issues: SK Chenderawasih: Hwa Li 1 estate always made contribution to school in the form of donation or material (books, curtain and etc).</p>
	<p>Management Responses: Estate will provide any necessary assistance to the school if they need any.</p>
	<p>Audit Team Findings: No further issue.</p>
5	<p>Issues: Lum Palm Oil Mill- Palm oil mill- As the neighbouring mill for Hwa Li 1 estate, around 10% of the FFB will be sent to the mill. According to the mill manager, the quality of the FFB always meeting the required standard.</p>
	<p>Management Responses: The management will continue maintain good agricultural practices in ensuring the FFB always meet the requirements.</p>
	<p>Audit Team Findings: No further issue.</p>
6	<p>Issues: Gender Committee member – She informed that no sexual harassment case was reported and they have good relationship between female and male workers.</p>
	<p>Management Responses: The management acknowledged it and will continue to monitor if there is any case reported.</p>
	<p>Audit Team Findings: No further issue.</p>

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major / Minor)

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1300492M1	<p>Requirements: Indicator 4.7.1 A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p>	Major
<p>Evidence of Nonconformity: Carotino Mill: i) OSH compliance monitoring was not included in the latest OSH plan for FY 15/16 ii) Medical surveillance programme was not carried by (Occupational Health Doctor) OHD for employee that exposed to Schedule II chemical (N-Hexane) under USECHH Regulation 2000.</p>		
<p>Statement of Nonconformity: Health and Safety plan was not effectively implemented</p>		
<p>Corrective Action: i) Approval granted form management to send the laboratory operator for medical surveillance for and conducting the 2,5- Hexanedione test in urine. ii) To conduct OSH emergency meeting to review the OSH plan and all related OSH monitoring will be conducted as per schedule .</p> <p>Status i) Verified 3 lab operator was sent to OHD clinic, Poliklinik Ar-Razi on 26 February 2016. Full report will be received within a month from the date of monitoring and will be further verified in the next audit. ii) OSH emergency meeting was carried out on 25/2/16. Sighted minutes of meeting to review the OSH plan. Verified revised OSH plan dated 25/2/16 and has included all OSH related monitoring</p> <p>The major non-conformity was close out on 15/3/16.</p>		
<p>Assessment Conclusion: ASA1_2 verification: i) Safety and Health (OSH) Plan for Mill and Estates was established, dated 1/7/2016 which was include the safety policy, safety legislation, safety committee, safe operating procedure, training, workplace inspection, safety signage, ERP, fire plan, OSH compliance monitoring and etc. ii) Medical surveillance report dated 15/3/2016 for those who are involved with chemical (for employee that exposed to Schedule II chemical (N-Hexane) under USECHH Regulation 2000.) was evident. Sighted the medical surveillance report by registered OHD, HQ/08/DOC/00/601 under Ar Razi OHS Clinic. All the operator were found fit. The next medical surveillance programme will carried out by end of February 2017.</p> <p>The previous major Nc is remain closed.</p>		

Non-Conformity		
NCR #	Description	Category (Major / Minor)

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1300492N1	Requirements: Indicator 2.1.4 A system for tracking any changes in the law shall be implemented.	Minor
	Evidence of Nonconformity: The applicable law for was not updated related to: i) Industrial Code of Practice for Confined Space 2010. ii) FMA 1974, Person In Charge, Regulation 2014. iii) EQA 1974, Clean Air Regulations 2014	
	Statement of Nonconformity: System or mechanism for tracking any changes in the law was not effectively implemented.	
	Corrective Action: Any change of law will be updated based on regular discussion with person in-charge at the mill and informed HQ personnel on the changes. Corrective action plan accepted. Effectiveness of corrective action taken will be verified in the next audit	
	Assessment Conclusion: ASA 1_2 verification: SOP on Mechanism to track changes in the legal requirement is found in Doc. Ref No: E/005-07/2017 dated 6/1/17. Verified updated legal register dated 31/1/17 incorporated the above laws and regulations including the new minimum wages order 2016. Thus, minor NC was closed on 8/2/17	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1300492N2	Requirements: Indicator 4.1.2 A mechanism to check consistent implementation of procedures shall be in place.	Minor
	Evidence of Nonconformity: Maran Estate: The expired drug which has been found as below:- 1) Sunward Suntacid (expired on Dec 2015) 2) Lignocaine HCL 20mg/ml (expired on June 2015).	
	Statement of Nonconformity: The monitoring and checking of the drug in the dispensary shelf was inconsistent where expired drug was found on the shelf	
	Corrective Action: i) The found expired drug will be disposed as clinical waste. ii) HA and assistant in-charge must check the date of expiry of the drugs upon received in future. iii) Ensure HA submit the drug book/drug records with expiry date on monthly basis to be checked by assistant and manager. Corrective action plan accepted. Effectiveness of corrective action taken will be verified in the next audit	
	Assessment Conclusion: ASA 1_2 verification :	

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	Verified in the clinic in POM and Hwa Li 2 estate and found no drug has expired. Inventory check of the drug on by HA was done on monthly basis and cross checked by the assistant and manager. The storage box for the drug also indicate the batch date for monitoring purpose. Thus, minor was closed on 8/2/17	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1300492N3	<p>Requirements: Indicator 4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>Evidence of Nonconformity: Pahang Palm Oil Estate 1: i) During the Chemical Store visit, it was found that Handy Plaster was missing in the first aid kit. However, in the First Aid Kit Checklist – Chemical Store which was last inspected on 1/2/16, the checklist was ticked complete. ii) Site visit at PM97 (harvesting mandore first aid kit) – Flavine solution was found without proper labelling (hazard label) and date of expiry as per re-labelling requirements under USECHH Regulations 2000</p> <p>Statement of Nonconformity: First aid kit was not effectively checked and maintained.</p> <p>Corrective Action: i) The first aid box will be locked all the time and the key will be kept by the first aider. A duplicate key will be kept at the office with only authorized personnel has the access to the key. ii) The Management together with the HA will check all the first aid boxes and replace the items without proper labelling. The HA will also do the checking on monthly basis and replace items which has been used up or out dated. This checking will be counter checked again by the management.</p> <p>Assessment Conclusion: ASA 1_2 verification: i)All operating units has implemented first aid box checklist inspection on monthly basis. Verified the latest updated checklist for the month of January 2017 (replenished item, quantity) clearly recorded. ii)Re-labeling of bottle (flavine, dettol) has been properly labeled with hazard label and expiry date. Sample at boiler and engine room, workshop, chemical store and POL store. For estates, first aid box checked at harvesting operation (PM01A), harvesting (PM91A4), manuring (PM91A1) Thus , minor NC was closed out on 8/2/17</p>	Minor

Observation	
OBS #	Description

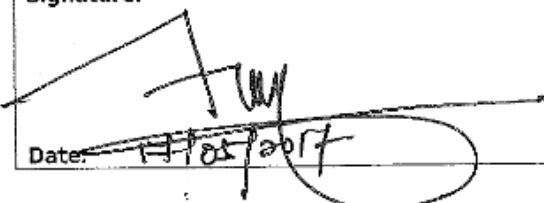

	Nil

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1300492M1	Major	24/2/16	Closed out on 15/3/16
1300492N1	Minor	24/2/16	Closed out on 8/2/17
1300492N2	Minor	24/2/16	Closed out on 8/2/17
1300492N3	Minor	24/2/16	Closed out on 8/2/17

Assessment Conclusion and Recommendation:

Based on the findings during the assessment Carotino Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C 2013 (MY-NE 2014), and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Carotino Palm Oil Mill Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
Name: Mr Seow Chee Chiang	Name: Mr Mohamed Hidir B Zainal Abidin
Company name: Carotino/JC Chang Group Carotino Palm Oil Mill (Carotino Production Unit)	Company name: BSI Services Malaysia Sdn Bhd
Title: Estate Department Manager Senior Manager (Admin/Sustainability)	Title: Lead Auditor
Signature: 	Signature: 
Date: 11/05/2017	Date: 9/5/17

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 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 on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the stakeholders, Regulatory Department such as DOSH, DOE visiting log book were attended accordingly. Refer to annual inspection (Hydrostatic Test for 1 unit of boiler) by DOSH was conducted on 9/11/16. No major issue was raised by the DOSH officer.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	The management has implemented stakeholder request register where the stakeholders' request will recorded into the logbook. In Hwa Li 1, Most of them were requested for electricity and tent set-up for functions such as wedding ceremony, Christmas celebration and etc.	Complied
Criterion 1.2:			
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>1.2.1</p> <p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>There was no restriction noted as to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>JC Chang Group continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units.</p> <p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Good Agricultural Practices • Environmental and Social Improvement Plan • SOP on Mechanism for Communication and Consultation • SOP For Identifying Legal And Customary Rights And Identifying People Entitled To Compensation • SOP on mechanism for complaints and grievances <p>In addition to the above documents, sustainability brochure can be found under link; http://www.carotino.com/userFiles/file/SustainabilityBro.pdf</p> <p>These documents highlight current JC Chang Group practices and their continual improvement plans. Besides the above document, the policy on the followings are also available at Carotino Group website at http://www.carotino.com/sustainability-policies-57.aspx :</p> <ol style="list-style-type: none"> 1) Environment 2) Equal Opportunity 3) Sexual Harassment 4) Occupational Safety & Health 5) Social and Human Rights 6) Corruption Prevention <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p>	<p>Complied</p>

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

<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.</p> <p>-Minor compliance</p>	<p>Corruption Prevention Policy which incorporated various aspect of committing to a code of ethical conduct and integrity has been established since 04 September 2015 and signed by the mill director.</p> <p>The policy has been documented and communicated to all levels of the workforce and operations on 1/10/15 in POM, 2/02/2017 in Hwa Li 2 estate and 23/01/2017 in Hwa Li 1 estate.</p>	<p>Complied</p>
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Principle 2: Compliance with applicable laws and regulations

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Criterion / Indicator	Assessment Findings	Compliance
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.		

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<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>Carotino POM has obtained and renewed license and permits as required by the law. Amongst the licenses or permit viewed were:</p> <p>a) MPOB license: 500356604000 (validity period 1/11/2016 - 31/10/2017) for 144,000MT</p> <p>b) DOE License/<i>Jadual Pematuhan</i>: JP/KKS/2016/2017/003216 (validity period 1/7/2016 - 30/6/2017) for 45MT/hr and method of POME discharge is land application. BOD limit is < 500 mg/l.</p> <p>c) Water usage license: SWUL/LPSA/73/2016 (validity period until 31/12/2016) by Director of Water Resources Pahang. Renewal application dated 29/12/16 to Pahang State Government Secretary Office.</p> <p>d) Energy commission license; license no.:2016/00127; serial no.: 14924 (validity period 29/2/2016 – 27/2/2017) for 3648 kW installation capacity. Renewal application via ECOS system, Ref#OPKN1701201700031L dated 17/1/17.</p> <p>e) Final Approval license for biogas plant and biogas engine ref; AS:C31/152/000/042SK.1 (28) dated 13/1/15.</p> <p>f) Poison License, Permit to purchase, store and use of sodium hydroxide, permit# 044326, register# CC0087/2017. Valid until December 2017.</p> <p>g) Diesel permit, Serial# C009693, Diesel: 16,000 liter, expired on 23/1/17. Verified renewal of license via BLESS, ref# BL2017010375. License approval will be verified in the next audit.</p> <p><u>Hwa Li 2 Estate</u></p> <p>i) MPOB license# 504216202000 valid until 30/6/17.</p> <p>ii) Electrical installation license, license# 2016/00628 for 100 kW valid until 31/3/17.</p> <p>iii) Permit for diesel and petrol SK01/52 P/D, with approved quantity 10,920 liter, petrol 100 liter.</p> <p>iv) Permit for water usage/abstraction pending for issuance (payment made to SUK Pahang, receipt# R00000966 dated 30/11/16)</p> <p><u>Hwa Li 1 Estate</u></p> <p>i) Electrical installation license, license# 2016/01936 for 108 kW valid until 30/9/17</p> <p>ii) MPOB license#, 501381202000 valid 31/3/17</p> <p>iii). Diesel permit, Serial# J023683, Diesel: 20,000 liter, expired on 3/2/17. Verified renewal of license via BLESS, ref# BL2017009505. License approval will be verified in the next audit.</p> <p>iv) Permit for water usage/abstraction pending for issuance (payment made to SUK Pahang, receipt# R00001087 dated 27/12/16)</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																																																																											
	<p>Competent Person:</p> <table border="1" data-bbox="662 434 1291 1344"> <thead> <tr> <th>Series No</th> <th>Competency</th> <th>Grade</th> </tr> </thead> <tbody> <tr> <td>035/2014</td> <td>Stim Engineer</td> <td>2</td> </tr> <tr> <td>023535</td> <td>Dandang Stim & Enjin Stim</td> <td>1</td> </tr> <tr> <td>PA/62/2003</td> <td>Dandang Stim & Enjin Stim</td> <td>2</td> </tr> <tr> <td>PA/120/96</td> <td>Dandang Stim & Enjin Stim</td> <td>1</td> </tr> <tr> <td>PA/03/2003</td> <td>Dandang Stim & Enjin Stim</td> <td>2</td> </tr> <tr> <td>PA/25/2007</td> <td>ICE</td> <td>2</td> </tr> <tr> <td>PJ-T-4-H-1741-2000</td> <td>A4</td> <td>-</td> </tr> <tr> <td>NW-NCC-AGT-R-0111-A</td> <td>AGT</td> <td>-</td> </tr> <tr> <td>NW-NCT-AGT-0017-N</td> <td>AGT</td> <td>-</td> </tr> <tr> <td>NW-NCT-AE-0636-N</td> <td>AESP</td> <td>-</td> </tr> <tr> <td>NW-NCT-AE-0634-N</td> <td>AESP</td> <td>-</td> </tr> <tr> <td>NW-NCT-AE-0635-N</td> <td>AESP</td> <td>-</td> </tr> <tr> <td>MPOB-KKMBS-23-2011</td> <td>Grading</td> <td>-</td> </tr> <tr> <td>CePPOME/15055</td> <td>CEPPOME</td> <td>-</td> </tr> </tbody> </table> <p>For CePSWAM, the management has nominated Mill Assistant Manager to going for CePSWAM training.</p> <p>Sighted the Certificate of Fitness for machineries:</p> <table border="1" data-bbox="662 1520 1272 1879"> <thead> <tr> <th>CF No</th> <th>Expiry</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>PM7/11/17T7564 4</td> <td>7/11/17</td> <td>Softener Tank</td> </tr> <tr> <td>PMT27343</td> <td>7/11/17</td> <td>Vacuum Dryer</td> </tr> <tr> <td>PMD15277</td> <td>7/11/17</td> <td>Water Tube Boiler</td> </tr> <tr> <td>PMT699</td> <td>7/11/17</td> <td>Air Compressor</td> </tr> <tr> <td>PMT5774</td> <td>7/11/17</td> <td>Air Receiver</td> </tr> <tr> <td>PMT3757</td> <td>7/11/17</td> <td>90 HL Dearator Storage Tank</td> </tr> <tr> <td>PMT3756</td> <td>7/11/17</td> <td>Pressure Filter</td> </tr> <tr> <td>PMT3412</td> <td>7/11/17</td> <td>Vertical Sterilizer</td> </tr> <tr> <td>PMT3411</td> <td>7/11/17</td> <td>Vertical Sterilizer</td> </tr> </tbody> </table>	Series No	Competency	Grade	035/2014	Stim Engineer	2	023535	Dandang Stim & Enjin Stim	1	PA/62/2003	Dandang Stim & Enjin Stim	2	PA/120/96	Dandang Stim & Enjin Stim	1	PA/03/2003	Dandang Stim & Enjin Stim	2	PA/25/2007	ICE	2	PJ-T-4-H-1741-2000	A4	-	NW-NCC-AGT-R-0111-A	AGT	-	NW-NCT-AGT-0017-N	AGT	-	NW-NCT-AE-0636-N	AESP	-	NW-NCT-AE-0634-N	AESP	-	NW-NCT-AE-0635-N	AESP	-	MPOB-KKMBS-23-2011	Grading	-	CePPOME/15055	CEPPOME	-	CF No	Expiry	Remark	PM7/11/17T7564 4	7/11/17	Softener Tank	PMT27343	7/11/17	Vacuum Dryer	PMD15277	7/11/17	Water Tube Boiler	PMT699	7/11/17	Air Compressor	PMT5774	7/11/17	Air Receiver	PMT3757	7/11/17	90 HL Dearator Storage Tank	PMT3756	7/11/17	Pressure Filter	PMT3412	7/11/17	Vertical Sterilizer	PMT3411	7/11/17	Vertical Sterilizer	
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2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	A list and copies of legal documents and international treaties and agreements are available, with changes is tracked through www.lawnet.com.my. The person responsible for monitoring compliance to laws and regulations is formally identified in the guidelines. The Unit maintain copy of relevant laws and legislation pertaining to palm oil mill and the plantation operation as per listed in the standard.	Complied
2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -	A mechanism for ensuring that they are implemented is available. A list of all legal requirements with the renewal date and license number will be reviewed and updated annually to ensure the requirements are implemented. each estate & Mill a personnel has been appointed to be in charge to track changes to any amendment of all relevant laws.	Complied
2.1.4 A system for tracking any changes in the law shall be implemented. - Minor compliance -	System for tracking the changes in the law is reflected within the SOP on Mechanism to track changes in the legal requirement is found in Doc. Ref No: E/005-03/2013 ver.4. Verified updated legal register dated 31/1/17 with the updated legal requirements.	Complied
Criterion 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 and the actual legal use of the land shall be available. - Major compliance -	Copies of land titles are available to show legal ownership or lease, history of land tenure and the actual legal use of the land. <u>Hwa Li 2 Estate:</u> Hold 1 leasehold land title# H.S.(D):250 with the total area of 1659.21 ha. The land use was under oil palm plantation. Verified the land tenure which was still valid where the tenure ends on 13/5/2086. <u>Hwa Li 1 Estate:</u> Holds 13 leasehold land titles. Sampled: Title# 24418, 24417, 24419, 24420, 24421, 24425, 24333, 24334, 24335, 24336, 24337, HSD1453 and HSD1450 for total of 2161.85 ha. The land use was oil palm plantation. Verified the land tenure for 99 years which was still valid where the earliest tenure ends on 12/12/2068.	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Legal boundaries were clearly demarcated. During site visit, sighted peg at field 90A Block 3 boundary with Kg Pasal (Hwa Li Estate 2), while at Hwa Li Estate 1, the the management had constructed trenches and install electrical fencing at the boundary with "Hutan Simpan Kekal Lesong".	Complied
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 free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to JC Chang Group and land ownership documents verified	Complied

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2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to JC Chang Group and land ownership documents verified Complied
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 (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to JC Chang Group and land ownership documents verified Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to JC Chang Group and land ownership documents verified Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	Not applicable. The estate lands are legally owned by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes. Complied

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2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) 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 -	There is no land dispute in the Carotino Unit at the time of audit. The land belongs to JC Chang Group with further verification of document and stakeholder interview. The estate is surrounded by neighboring plantations and there is no village settlement near the area.	Complied
2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	There is no land dispute in the Carotino Unit at the time of audit. The land belongs to JC Chang Group with further verification of document and stakeholder interview. The estate is surrounded by neighboring plantations and there is no village settlement near the area	Complied
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	There is no land dispute in the Carotino Unit at the time of audit. The land belongs to JC Chang Group with further verification of document and stakeholder interview. The estate is surrounded by neighboring plantations and there is no village settlement near the area.	Complied
Principle 3: Commitment to long-term economic and financial viability		
Criterion 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 (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Carotino/JC Chang Group has continued its commitment to long term sustainability and improvements through a capital expenditure programme. Carotino Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year. OPEX projected for 3 years until 2020. CAPEX : Pollution and GHG emission – High efficiency boiler c/w scrubber system. SCBA – confined space apparatus. Water tank for staff quarters.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	An annual replanting programme projected for a minimum of five years was made available for review. <u>Hwa Li 2 Estate</u> Long range replanting programme documented for the West Malaysia (Caratino Production Unit) from 2016-2041. For example plan for Hwa Li 2 : 2016 -2021 2016 : 220 ha (PM89A 06-10, 16 &17) 2017 : 262 ha (PM98A 11, 12 & 15,16)	Complied
Principle 4: Use of appropriate best practices by growers and millers		
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.		

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<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>Estates and Oil Mill have maintained and revised if required, the Documented Standard Operating Procedures file that contains both the safe operating procedures and the procedures to implement the various major field operations. For example, among others, the Estate SOP Manual has procedures category for the following operations:</p> <ul style="list-style-type: none"> a) Road and Terrace construction for New Planting and Replanting (A/005-01/2008) b) Nursery Establishment and Practices (A/006-01/2008) c) Field planting (A/007-02/2011) d) Pruning and Frond stacking (B/001-01/2008) e) Weeding Regime & Practices ((B/004-01/2008) f) Riparian Buffer Zone (C/001-02/2009) g) Justifications for Pesticide Usage under IPM (Insecticide, Fungicide & Rodenticide) (B/008-14/2016) h) Justifications for Pesticide Usage under IPM (Weedicides) (B/009-10/2015) i) FFB Evacuation with MTG (D/003-01/2008) j) FFB Harvesting and Evacuation (D/004-04/2015) k) Fertiliser receipts, management and application (H/001-03/2016) l) Integrated Pest & Disease Management (L/001-05/2014) m) Rat control and baiting (L/002-07/2016) <p>The CCP SOP and Mill SOP for Carotino POM contains the procedures for all activities as below:</p> <ul style="list-style-type: none"> 1) Reception Station (CCP/01-03/2013) 2) Grading Station (CCP/02-02/2016) 3) Press Station (CCP/03-01/2011) 4) Clarification Station (CCP/04-01/2011) 5) Nut Station (CCP/05-01/2011) 6) Kernel Station (CCP/06-01/2011) 7) Storage Station (CCP/07-02/2016) 8) Despatch CPO & PK (CCP/08-05/2016) 9) Reception Station (Q/001-02/2010) 10) Grading Station (Q/002-02/2008) 11) Fruit Handling Station (Q/003-02/2010) 12) Sterilizer Station (Q/004-01/2010) 13) Threshing Station (Q/005-02/2010) 14) Press Station (Q/006-01/2008) 15) Clarification Station (Q/007-01/2008) 16) Depericarper Station (Q/008-01/2008) 17) Nut & Kernel Station (Q/009-01/2008) 18) Boiler Station (Q/010-01/2008) 19) Engine Room Station (Q/011-01/2008) 20) Water Treatment Plant (Q/012-01/2008) 21) Biogas Plant SOP 	<p>Complied</p>

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	<p>The Mill Safety Operation Procedure include procedures at the following stations :</p> <ul style="list-style-type: none"> Reception station, Grading station, Threshing Station, Pressing station, Clarification station, Depericarper, Nut and Kernel, Boiler, WTP, Loading Ramp, Steriliser station, Biogas station, Gas engine station, Workshop station, working at height, confined space, welding ,grinding, cutting works (Oxy-Acetylene) P/030-01/2008, ETP & Effluent Tertiary Plant, etc. <p>In the pictorial SOP displayed on the notice board in the office as well at the appropriate stations in the mill and Bahasa Malaysia is used as a language of communication</p>	
<p>4.1.2</p> <p>A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>Company has mechanism to check the implementation of procedure through routine inspection by Mill Director Visit twice a year. Mill and Plantation Director/VSM Visit Report were verified. The Internal RSPO visit was conducted by Sustainability Department. The inspection/internal audit was covered all activities related to palm oil mill and oil palm agriculture practices.</p> <p><u>Carotino POM</u> Latest visit by Mill Director anHQ Mill Engineer was on 15/7/2016. The internal audit was conducted on 22/12/16 by Sustainability Department. There are 32 findings raised during the audit and the action plan was established thereafter.</p> <p>PTW- Sighted form the Permit to Work for confined space on 6/8/16. The work was carried out by authorized entrant and competent gas tester.</p> <p><u>Hwa Li Estate 2</u> Latest visit by Regional Controller visit was on 4-7/10/2016. The internal audit was conducted on 23-24/6/2016 by Sustainability Department. There are 42 findings raised during the audit and the action plan was established thereafter.</p> <p><u>Hwa Li Estate 1</u> Latest visit by Regional Controller visit was on 17-19/3/2016. The internal audit was conducted on 1/12/2016 by Sustainability Department. There are 28 findings raised during the audit and the action plan was established thereafter.</p>	<p>Complied</p>
<p>4.1.3</p> <p>Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -</p>	<p>The records were available at mill and estates office.</p>	<p>Complied</p>
<p>4.1.4</p> <p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -</p>	<p>The was no 3rd party sourced FFB at Carotino Production Unit.</p>	<p>Complied</p>

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Criterion 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 Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	SOP-Methods of nutrient assessment for oil palm fertilizer recommendation (B/015-01/2013) and SOP-Soil and water conservation (C/002-01/2008) were established. Soil analysis and foliar sampling will be monitored on yearly basis. Both estates operate in accordance with the Agriculture Manual and standard operating procedures. The practices consistently monitored by estate operation management and regional controller. The recommendations for improvements are given to maintain the sustainable practices.	Complied
4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators. <u>Hwa Li Estate 2</u> Agronomic Advisory Report by Sr. Agronomist, Plantation Department dated 30/6-1/7/2016, fertilizer recommendation 2017 was done by agronomist : 1. NK Mix: 344.6 mt 2. AS & MAP (6.7/5/20/8+0.5B): 312.2 mt 3. AS & MAP (13/8/16/3+0.5B): 132.9 mt 4. BRP :59.2 mt The latest application was carried out at PM91A Block A1 on 5/2/2017 for NK Mix (3kg/palm). <u>Hwa Li Estate 1</u> Agronomic Advisory Report by Sr. Agronomist, Plantation Department dated 22/3/2016, fertilizer recommendation 2017 was done by agronomist : 1. NK Mix: 771.00 mt 2. AS & MAP (6.7/5/20/8+0.5B): 458.20 mt 3. AS & MAP (10/6/22/8+0.5B): 98.30 mt 4. BRP :59.2 mt The latest application was carried out at PM02A Block 7/6 on 6/2/2017 for NK Mix (3kg/palm).	Complied

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Criterion / Indicator	Assessment Findings	Compliance																														
4.2.3	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -</p>	Complied																														
4.2.4	<p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -</p>	Complied																														
<p>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</p>																																
4.3.1	<p>Maps of any fragile soils shall be available. - Major compliance -</p>	Complied																														
<p>Soil series map available for both estates visited. No other soil categorised as problematic or fragile soil. Sighted the type of soil available at Hwa Li Estate 2 and Hwa Li Estate 1.</p>																																
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Criterion / Indicator	Assessment Findings	Compliance
4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	There was 0.6% slope classification >25degree at Hwa Li Estate 2. The management decided to do minimum maintenance since the palms were planted in 1990. Recently, terracing and establishment of legume cover crop are the usual soil conservation measures instituted on such terrain to minimize soil erosion and land degradation. Field inspection showed groundcover with soft grass and herbaceous weeds were maintained in inter-rows as ground covers to reduce surface water run-off and erosion. There is no significant erosion risk was noted during the field visit	Complied
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	Work Schedule for Grading and Compacting/Road Maintenance Programme for FY16/17 was established and monitored on monthly basis by the management. Example of programme checked at both Estate shows the map indicating road repairs and maintenance for the whole estate roads. The latest road grading was carried out in October 20016 at PM90A, Hwa Li Estate 2 (680.41 chain), while at Hwa Li Estate 1, the road grading was carried out at field PM99A (1119.30 chain).	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There was no peat soil at both of the estates.	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There was no peat soil at both of the estates.	Complied
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There was no peat soil at both of the estates.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.		

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.1</p> <p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>Water Management Plan which has been implemented and reviewed annually. Sighted the water management plan for mill which has been reviewed on 2/1/17. The plan takes into account the efficient use of resources, ensure amongst other that the use of water did not impact on other users, avoid contamination of ground and surface water, and appropriate treatment of mill effluent.</p> <p><u>Carotino POM</u> River water analysis done every 6 months as per the Water Management Plan. 3 sampling points were sampled (upstream, intake point and downstream). Checked the latest River Water Analysis Report done by Cestchem Global Sdn Bhd dated 17/12/16, ref#caratino/T/17122016/SU1A and results found to be within the allowable limit by DOE.</p> <p>Domestic water analysis was carried out once per year as per plan. Refer to the latest analysis report, ACL/WAT/-POT 164256, dated 20/10/16. Result is found in compliance with Drinking Water Quality Standard (DWQS)</p> <p><u>Hwa Li 2 Estate</u> Domestic water analysis was carried out once per year as per plan. Refer to the latest analysis report, ACL/QWAT-CAR 20160801 dated 2/8/16. Result is found in compliance with Drinking Water Quality Standard (DWQS)</p> <p>Last river water analysis was carried out by 3rd party laboratory, PermulaB Sdn Bhd. Refer to report dated 30/6/16. 6 parameters tested (pH, BOD3, COD, TSS, AN and DO) and found within the limit.</p> <p><u>Hwa Li 1 Estate</u> Domestic water analysis was carried out once per year as per plan. Refer to the latest analysis report, W/1611/9490 dated 13/12/16. Result is found in compliance with Drinking Water Quality Standard (DWQS)</p> <p>Last river water analysis was carried out by 3rd party laboratory, Sime Darby Research Sdn Bhd. Refer to report dated 8/11/16. 6 parameters tested (pH, BOD3, COD, TSS, AN and DO) and found within the limit.</p>	<p>Complied</p>
<p>4.4.2</p> <p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Buffer zones had been maintained on both sides of rivers/streams in the estates as verified during on-site field inspection. There was no evidence of spraying around palms marked as boundary for the buffer zones. There was no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance													
<p>4.4.3</p> <p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -</p>	<p>Water samples were regularly taken every week and tested to ensure compliance to DOE requirements at final discharge points. The water samples were sent to FELDA Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limit under Carotino mill's compliance schedule. Refer to the analysis report last quarter (Oct – Dec 2016) and January 2017</p> <table border="1" data-bbox="660 636 1289 1128"> <thead> <tr> <th>Month</th> <th>Final Discharge BOD3</th> <th>Quarterly return submission</th> </tr> </thead> <tbody> <tr> <td>October 2016</td> <td>21 (ref#2945/2016) dated 6/10/16</td> <td rowspan="3">Submitted on 10/1/17 to DOE</td> </tr> <tr> <td>November 2016</td> <td>22 (ref#3258/2016) dated 7/11/16</td> </tr> <tr> <td>December 2016</td> <td>22 (ref#3599/2016) dated 5/12/16</td> </tr> <tr> <td>January 2017</td> <td>12 (ref#31/2017) dated 3/1/17</td> <td></td> </tr> </tbody> </table> <p>Method of final discharge is land application.</p>	Month	Final Discharge BOD3	Quarterly return submission	October 2016	21 (ref#2945/2016) dated 6/10/16	Submitted on 10/1/17 to DOE	November 2016	22 (ref#3258/2016) dated 7/11/16	December 2016	22 (ref#3599/2016) dated 5/12/16	January 2017	12 (ref#31/2017) dated 3/1/17		<p>Complied</p>
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<p>4.4.4</p> <p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -</p>	<p>Mill has maintained monitoring on water usage for processing which recorded on daily and summarised month end. Summary of 3 years water consumption trend:</p> <table border="1" data-bbox="660 1274 1289 1395"> <thead> <tr> <th>Financial Year (July-June)</th> <th>Consumption (m3/FFB)</th> </tr> </thead> <tbody> <tr> <td>July – Dec 2016</td> <td>1.13</td> </tr> <tr> <td>FY15/16</td> <td>1.19</td> </tr> <tr> <td>FY14/15</td> <td>1.22</td> </tr> </tbody> </table>	Financial Year (July-June)	Consumption (m3/FFB)	July – Dec 2016	1.13	FY15/16	1.19	FY14/15	1.22	<p>Complied</p>					
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July – Dec 2016	1.13														
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FY14/15	1.22														
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>															

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Criterion / Indicator		Assessment Findings	Compliance																		
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	<p>SOP – Guidelines in integrated pest and disease management of oil palm (L/001-05/2014) was available. The Integrated Pest Management Plan was established thereafter. There was including Biological Control, Cultural practices and chemical control in their plan.</p> <p>IPM Plan includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as Tunera subulata, Antigonon Leptopus and Cassia are grown in the estates. Records of planting of new areas and maintenance of existing areas of beneficial plants and location maps are available.</p> <table border="1"> <thead> <tr> <th></th> <th>Distance</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Beneficial Plant (todate)</td> <td>2500 chain</td> <td>Hwa Li 2</td> </tr> <tr> <td>3000 chain</td> <td>Hwa Li Estate 1</td> </tr> </tbody> </table> <p>The occupancy rate for Barn owl box on Dec 2016.</p> <table border="1"> <thead> <tr> <th></th> <th>Occupancy rate</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Barn owl</td> <td>80%</td> <td>Hwa Li 2</td> </tr> <tr> <td>32 %</td> <td>Hwa Li 1</td> </tr> </tbody> </table>		Distance	Estate	Beneficial Plant (todate)	2500 chain	Hwa Li 2	3000 chain	Hwa Li Estate 1		Occupancy rate	Estate	Barn owl	80%	Hwa Li 2	32 %	Hwa Li 1	Complied		
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4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	<p>Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>5/1/16</td> <td>IPM (Bagworm)</td> <td>AM</td> <td rowspan="3">Hwa Li Estate 2</td> </tr> <tr> <td>17/1/16</td> <td>IPM (Beetle)</td> <td>AM</td> </tr> <tr> <td>18/7/16</td> <td>IPM (Beneficial Plant)</td> <td>AM</td> </tr> <tr> <td>25/12/16</td> <td>IPM (Rat)</td> <td>AM</td> <td>Hwa Li Estate 1</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Estate	5/1/16	IPM (Bagworm)	AM	Hwa Li Estate 2	17/1/16	IPM (Beetle)	AM	18/7/16	IPM (Beneficial Plant)	AM	25/12/16	IPM (Rat)	AM	Hwa Li Estate 1	Complied
Date	Training Topic	Trainer	Estate																		
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Criterion 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 -	Justification for all pesticides used was stated in the SOP for Pest and disease management and also in the IPM plan (Justifications for Pesticide Usage under IPM (Insecticide, Fungicide & Rodenticide) (B/008-14/2016) and Justifications for Pesticide Usage under IPM (Weedicides) (B/009-10/2015)). The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	Complied																		
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 -	<p>Records of pesticides used (including active ingredients used and area treated, amount of active ingredients applied per ha and number of applications) were established and monitored. The records of weeding programme and herbicide master list was sighted.</p> <table border="1"> <thead> <tr> <th></th> <th>FY15/16</th> <th>FY16/17 (Todate Jan 17)</th> </tr> </thead> <tbody> <tr> <td>Hwa Li Estate 2</td> <td>0.43 a.i/ha</td> <td>1.00 a.i/ha</td> </tr> <tr> <td>Hwa Li Estate 1</td> <td>1.05 a.i/ha</td> <td>0.55 a.i/ha</td> </tr> </tbody> </table> <p>a.i/ha at Hwa Li Estate 2 was slightly increase because of replanting and immature area.</p>		FY15/16	FY16/17 (Todate Jan 17)	Hwa Li Estate 2	0.43 a.i/ha	1.00 a.i/ha	Hwa Li Estate 1	1.05 a.i/ha	0.55 a.i/ha	Complied									
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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 national Best Practice guidelines. - Major compliance -	The management encourage establishing biological control as per IPM plan. The implementation in the field is consistent with the SOP operation. Complied																		
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 not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	There are no Class 1A and Class1B at the Hwa Li Estate 2 and Hwa Li Estate 1 during this assessment. Complied																		
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 (see Criterion 4.7). - Major compliance -	Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment. <table border="1" data-bbox="660 1055 1299 1294"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>5/1/16</td> <td>IPM (Bagworm)</td> <td>AM</td> <td rowspan="3">Hwa Li Estate 2</td> </tr> <tr> <td>17/1/16</td> <td>IPM (Beetle)</td> <td>AM</td> </tr> <tr> <td>18/7/16</td> <td>IPM (Beneficial Plant)</td> <td>AM</td> </tr> <tr> <td>25/12/16</td> <td>IPM (Rat)</td> <td>AM</td> <td>Hwa Li Estate 1</td> </tr> </tbody> </table> Complied	Date	Training Topic	Trainer	Estate	5/1/16	IPM (Bagworm)	AM	Hwa Li Estate 2	17/1/16	IPM (Beetle)	AM	18/7/16	IPM (Beneficial Plant)	AM	25/12/16	IPM (Rat)	AM	Hwa Li Estate 1
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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 (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation. Complied																		
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in the SOP – Guidelines in integrated pest and disease management of oil palm (L/001-05/2014). The implementation in the field is consistent with the SOP. As todate, there was no outbreak of pest and disease. Complied																		
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 -	No aerial spray was carried out. Complied																		

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Criterion / Indicator		Assessment Findings	Compliance																								
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	<p>There is no associated smallholder at Hwa Li Estate 2 and Hwa Li Estate 1. Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>5/1/16</td> <td>IPM (Bagworm)</td> <td>AM</td> <td rowspan="3">Hwa Li Estate 2</td> </tr> <tr> <td>17/1/16</td> <td>IPM (Beetle)</td> <td>AM</td> </tr> <tr> <td>18/7/16</td> <td>IPM (Beneficial Plant)</td> <td>AM</td> </tr> <tr> <td>25/12/16</td> <td>IPM (Rat)</td> <td>AM</td> <td>Hwa Li Estate 1</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Estate	5/1/16	IPM (Bagworm)	AM	Hwa Li Estate 2	17/1/16	IPM (Beetle)	AM	18/7/16	IPM (Beneficial Plant)	AM	25/12/16	IPM (Rat)	AM	Hwa Li Estate 1	Complied						
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4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Disposal method of all identified waste was already included in the pollution prevention plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company within mill and estates.	Complied																								
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	<p>Annual medical surveillance for sprayers and pesticide operators were demonstrated which was conducted by B.P Clinical Lab Sdn Bhd (HQ/08/DOC/00/545) for Hwa Li Estate 2 and Klinik Segamat (HQ/08/DOC/00/545) for Hwa Li Estate 1.</p> <p>Medical examination programme established for sprayer. The result as below:</p> <table border="1"> <thead> <tr> <th>ID No</th> <th>Date of Medical check up</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>AT201370</td> <td rowspan="4">15-29/7/16</td> <td>Fit</td> <td rowspan="4">Hwa Li Estate 2</td> </tr> <tr> <td>05916801</td> <td>Fit</td> </tr> <tr> <td>B1078479</td> <td>Fit</td> </tr> <tr> <td>AT448682</td> <td>Fit</td> </tr> <tr> <td>3787465</td> <td rowspan="4">30/12/16</td> <td>Fit</td> <td rowspan="4">Hwa Li Estate 1</td> </tr> <tr> <td>09463930</td> <td>Fit</td> </tr> <tr> <td>05983551</td> <td>Fit</td> </tr> <tr> <td>AS0809929</td> <td>Fit</td> </tr> </tbody> </table>	ID No	Date of Medical check up	Result	Estate	AT201370	15-29/7/16	Fit	Hwa Li Estate 2	05916801	Fit	B1078479	Fit	AT448682	Fit	3787465	30/12/16	Fit	Hwa Li Estate 1	09463930	Fit	05983551	Fit	AS0809929	Fit	Complied
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4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	There is no female sprayer at Hwa Li Estate 2 and Hwa Li Estate 1.	Complied																								
<p>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>																											

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>Company has established safety and health policy signed by Mr. Tay Chwee Leong, Mill Director dated 1st July 2016. Safety Policy has been made publicly available for all workers and related stakeholders through notice board at the Mill and Estate's office compounds. The policy was communicated to all workers and staffs accordingly through Safety & Health Policy Briefing (1/8/16). Safety and Health (OSH) Plan for Mill and Estates was established, dated 1/7/2016 which includes the safety policy, safety legislation, safety committee, safe operating procedure, training, workplace inspection, safety signage, ERP, fire plan, OSH compliance monitoring and etc</p> <p>i) Chemical Health Risk Assessment (CHRA) The CHRA was conducted on 14/1/2013 (Mill Operation) and 9/3/2016 (Biogas Plant) by Procoma Environmental (M) Sdn Bhd (JKKP HIE 127/171-2(129)). The OSH action plan was established to capture all the recommendation from the assessor.</p> <p>The CHRA was conducted on 26/12/2012 (Hwa Li Estate 2) by Occumed Consultancy & Services Sdn Bhd (JKKP HIE 127/171-2(8)). The OSH action plan was established to capture all the recommendation from the assessor.</p> <p>The CHRA was conducted on 12/12/2012 (Hwa Li Estate 1) by Occumed Consultancy & Services Sdn Bhd (JKKP HIE 127/171-2(8)). The OSH action plan was established to capture all the recommendation from the assessor.</p> <p>ii) Medical Surveillance 3 operators were sent for medical surveillance on 15/3/2016 for those who are involved with chemical (for employee that exposed to Schedule II chemical (N-Hexane) under USECHH Regulation 2000.), refer to medical surveillance report by registered OHD, HQ/08/DOC/00/601 under Ar Razi OHS Clinic. All the lab operators were found fit.</p> <p>iii) Noise Exposure Monitoring Additional noise exposure monitoring was conducted on 14/8/2014 by Procoma Environmental (M) Sdn Bhd. The annual and baseline audiometric testing was conducted on 22/8/2016 by Procoma Environmental (M) Sdn Bhd (HQ/08/DOC/00/695). Total workers tested 30. Only 3 workers were found mild and moderate hearing impairment which need to be tested yearly.</p> <p>iv) Local Exhaust Ventilation (LEV) Testing & Inspection The latest LEV inspection was conducted on 29/2/16 by Procoma Environmental (M) Sdn Bhd, JKKP HIE 127/171-3/2(23). Based on the examination and testing results, it shows that the face velocity measured for the fume cupboard complied with ACGIH specification.</p>	<p>Complied</p>

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	<p>v) Personal Chemical Exposure Monitoring Personal Chemical Exposure Monitoring was conducted for welder on 29/2/2016 at Carotino POM by Procoma Environmental (M) Sdn Bhd (JKKP HIE 127/171-3/1(20)). The result shown that the exposure level does not exceed PEL and MEL except for Kernel operator. The repeat test for kernel operator and CEM for biogass operator was conducted on 30/12/16, the report yet to be received by the management.</p>	
4.7.2	<p>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 -</p> <p>The management adapt and documented the guidelines from DOSH as their procedure namely "Garis Panduan bagi Pengenalpastian Hazard, Penaksiran Risiko dan Kawalan Risiko (HIRARC)" and made available at Carotino POM and both estates.</p> <p>The HIRARC was established and all the activities were registered and reviewed in the HIRARC on 1/9/2016 (CPOM), 18/11/16 (HLE2).</p> <p>Eg: Weighbridge, Ramp, Threshing Station, Pressing Station, Clarification, Nut Cracking Station, Kernel Plant, Kernel Storage, CPO Storage, Boiler Station, Engine room, workshop, General-cleaning and others, Store, EFB Press, Laboratory, WTP, WWTP, Sterilizer, EFB Shredder, Rotating equipment (airlocks, nut cracker), Welding activity, Lab (oil extraction), biogas plant, solvent plant, spraying, chemical mixing, triple rinse , Drainage and irrigation, Harvesting, loose fruit picking Pruning and raking, nursery, roads and terrace construction, drain construction,culvert & bridge construction, selective weeding, manuring, scout harvesting, FFB internal transport and external transport, workshop etc.</p>	Complied

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<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). 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.</p> <p>- Minor compliance -</p>	<p>Training Scheduled for 2016 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS and CHRA assessor’s recommendation.</p> <table border="1" data-bbox="660 645 1273 1435"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>23/12/16</td> <td>Biogas Engine Room</td> <td>TA</td> <td rowspan="6">CPOM</td> </tr> <tr> <td>20/12/16</td> <td>Boiler</td> <td>AM</td> </tr> <tr> <td>18/10/16</td> <td>Kernel/Nut Plant</td> <td>TA</td> </tr> <tr> <td>1/8/16</td> <td>Chemical Handling</td> <td>Supplier</td> </tr> <tr> <td>6/12/16</td> <td>Mill Process</td> <td>MM</td> </tr> <tr> <td>20/01/16</td> <td>ERP training</td> <td>MM</td> </tr> <tr> <td>23/5/16</td> <td>Spraying</td> <td>AM</td> <td rowspan="5">Hwa Li Estate 2</td> </tr> <tr> <td>16/6/16</td> <td>Manuring</td> <td>AM</td> </tr> <tr> <td>11/7/16</td> <td>Harvesting</td> <td>Mgr</td> </tr> <tr> <td>23/5/16</td> <td>PPE for sprayer</td> <td>AM</td> </tr> <tr> <td>19/6/16</td> <td>Rat Baiting</td> <td>AM</td> </tr> <tr> <td>15/12/16</td> <td>SOP Genset/WTP</td> <td>AM</td> <td rowspan="5">Hwa Li Estate 1</td> </tr> <tr> <td>21/1/17</td> <td>Nozzle Calibration</td> <td>AM</td> </tr> <tr> <td>13/11/16</td> <td>Manuring/Riparian Zone</td> <td>AM</td> </tr> <tr> <td>13/6/16</td> <td>SOP Driving</td> <td>AM</td> </tr> <tr> <td>8/6/16</td> <td>SOP Harvesting</td> <td>AM</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	23/12/16	Biogas Engine Room	TA	CPOM	20/12/16	Boiler	AM	18/10/16	Kernel/Nut Plant	TA	1/8/16	Chemical Handling	Supplier	6/12/16	Mill Process	MM	20/01/16	ERP training	MM	23/5/16	Spraying	AM	Hwa Li Estate 2	16/6/16	Manuring	AM	11/7/16	Harvesting	Mgr	23/5/16	PPE for sprayer	AM	19/6/16	Rat Baiting	AM	15/12/16	SOP Genset/WTP	AM	Hwa Li Estate 1	21/1/17	Nozzle Calibration	AM	13/11/16	Manuring/Riparian Zone	AM	13/6/16	SOP Driving	AM	8/6/16	SOP Harvesting	AM	<p>Complied</p>
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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and 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 -</p>	<p>OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken form workplace inspection report etc. The discussion on the accident review, workplace inspection, issues from workers, training has been discussed and action to be taken. There was no major issue.</p> <p><u>Carotino Palm Oil Mill</u> SHC organization chart for 2017 i) Chairman – Mill Manager ii) Secretary – Admin Officer (#4:20/12/16, #3: 20/9/16, #2: 28/6/16)</p> <p><u>Hwa Li Estate 2</u> SHC organization chart for 2017 i) Chairman – Estate Manager ii) Secretary – Admin Officer (#4:16/11/16, #3: 17/8/16, #2: 18/5/16)</p> <p><u>Hwa Li Estate 1</u> SHC organization chart for 2017 i) Chairman – Estate Manager ii) Secretary – Admin Officer (#4:20/12/16, #3: 20/9/16, #2: 21/6/16)</p>	<p>Complied</p>
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -</p>	<p>Accident and emergency procedures have been communicated to employees, contractors and visitors. Fire evacuation drill internal training was last conducted on 20/01/2016 (CPOM), 18/11/16 (Hwa Li Estate 2) and 2/2/17 (Hwa Li Estate 1). Workers trained in First Aider were present in the mill and field operations. All the items in the first aid boxes were found adequate and still valid with appropriate labelling.</p> <p>Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKPP 6 & 8 forms and available for viewing. Sighted some records of accidents :</p> <p><u>Carotino Palm Oil Mill</u> No accident happened for 2016 at CPOM. JKPP 8 for 2016 was sent to DOSH on 10/1/2017.</p> <p><u>Hwa Li Estate 2</u> 15/9/16-Accident at workshop (MC 60 days), and Accident report was prepared on 15/9/16 by Ast. Mgr. JKPP 6 was send to DOSH on 15/9/16 by Ast. Mgr. JKPP 8 for 2015 was sent to DOSH on 25/1/2016.</p> <p><u>Hwa Li Estate 1</u> 14/4/16-Accident at harvesting area, PM12A (MC 94 days), and Accident report was prepared on 14/4/16 by Ast. Mgr. JKPP 6 was send to DOSH on 18/4/16 by Ast. Mgr. JKPP 8 for 2015 was sent to DOSH on 16/1/2016.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																					
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	Medical care and accident insurance is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme. <table border="1" data-bbox="660 506 1299 1128"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>SOCSO</td> <td>Dec 16, Nov 16, Oct 16</td> <td>CPOM</td> </tr> <tr> <td>LONPAC Insurance Bhd (J/17/WF01/002899/JHR-32)</td> <td>1/3/17-28/2/18</td> <td></td> </tr> <tr> <td>SOCSO</td> <td>Dec 16, Nov 16, Oct 16</td> <td>HLE2</td> </tr> <tr> <td>LONPAC Insurance Bhd (J/17/WF01/002798/JHR-37)</td> <td>1/2/17-31/1/18</td> <td></td> </tr> <tr> <td>SOCSO</td> <td>Dec 16, Nov 16, Oct 16</td> <td>HLE1</td> </tr> <tr> <td>LONPAC Insurance Bhd (J/17/WF01/002701/JHR-35)</td> <td>1/2/17-31/1/18</td> <td></td> </tr> </tbody> </table>	Insurance	Period	Remark	SOCSO	Dec 16, Nov 16, Oct 16	CPOM	LONPAC Insurance Bhd (J/17/WF01/002899/JHR-32)	1/3/17-28/2/18		SOCSO	Dec 16, Nov 16, Oct 16	HLE2	LONPAC Insurance Bhd (J/17/WF01/002798/JHR-37)	1/2/17-31/1/18		SOCSO	Dec 16, Nov 16, Oct 16	HLE1	LONPAC Insurance Bhd (J/17/WF01/002701/JHR-35)	1/2/17-31/1/18		Complied
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4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records on Lost Time Accident (LTA) metrics was maintained and based on JKPP 6, 7 & 8. Sample of accident statistic as shown below : <table border="1" data-bbox="660 1267 1123 1357"> <thead> <tr> <th>Year</th> <th>CPOM</th> <th>HLE2</th> <th>HLE1</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>0</td> <td>13</td> <td>29</td> </tr> <tr> <td>2016</td> <td>0</td> <td>60</td> <td>119</td> </tr> </tbody> </table> *LTA is equivalent to lost man days	Year	CPOM	HLE2	HLE1	2015	0	13	29	2016	0	60	119	Complied									
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Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.																							

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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 -	Training Scheduled for 2016 was established. This programme covers all aspects of the RSPO Principles and Criteria. Awareness and training had been carried out. All workers involved had been adequately trained. <table border="1" data-bbox="660 551 1272 1653"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>23/12/16</td> <td>Biogas Engine Room</td> <td>TA</td> <td rowspan="7">CPOM</td> </tr> <tr> <td>20/12/16</td> <td>Boiler</td> <td>AM</td> </tr> <tr> <td>18/10/16</td> <td>Kernel/Nut Plant</td> <td>TA</td> </tr> <tr> <td>1/8/16</td> <td>Chemical Handling</td> <td>Supplier</td> </tr> <tr> <td>6/12/16</td> <td>Mill Process</td> <td>MM</td> </tr> <tr> <td>9/12/16</td> <td>S/Waste</td> <td>Internal Control Officer</td> </tr> <tr> <td>20/01/16</td> <td>ERP training</td> <td>MM</td> </tr> <tr> <td>23/5/16</td> <td>Spraying</td> <td>AM</td> <td rowspan="7">Hwa Li Estate 2</td> </tr> <tr> <td>9/8/16</td> <td>Buffer Zone</td> <td>AM</td> </tr> <tr> <td>16/6/16</td> <td>Manuring</td> <td>AM</td> </tr> <tr> <td>11/7/16</td> <td>Harvesting</td> <td>Mgr</td> </tr> <tr> <td>18/1/16</td> <td>Triple Rinse</td> <td>AM</td> </tr> <tr> <td>20/8/16</td> <td>Recycle</td> <td>Mgr</td> </tr> <tr> <td>20/8/16</td> <td>Zero Burning</td> <td>Mgr</td> </tr> <tr> <td>23/5/16</td> <td>PPE for sprayer</td> <td>AM</td> <td rowspan="7">Hwa Li Estate 1</td> </tr> <tr> <td>19/6/16</td> <td>Rat Baiting</td> <td>AM</td> </tr> <tr> <td>13/6/16</td> <td>Landfill</td> <td>AM</td> </tr> <tr> <td>24/6/16</td> <td>Segregation</td> <td>AM</td> </tr> <tr> <td>15/12/16</td> <td>SOP Genset/WTP</td> <td>AM</td> </tr> <tr> <td>21/1/17</td> <td>Nozzle Calibration</td> <td>AM</td> </tr> <tr> <td>13/11/16</td> <td>Manuring/Riparian Zone</td> <td>AM</td> </tr> <tr> <td>13/6/16</td> <td>SOP Driving</td> <td>AM</td> </tr> <tr> <td>8/6/16</td> <td>SOP Harvesting</td> <td>AM</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	23/12/16	Biogas Engine Room	TA	CPOM	20/12/16	Boiler	AM	18/10/16	Kernel/Nut Plant	TA	1/8/16	Chemical Handling	Supplier	6/12/16	Mill Process	MM	9/12/16	S/Waste	Internal Control Officer	20/01/16	ERP training	MM	23/5/16	Spraying	AM	Hwa Li Estate 2	9/8/16	Buffer Zone	AM	16/6/16	Manuring	AM	11/7/16	Harvesting	Mgr	18/1/16	Triple Rinse	AM	20/8/16	Recycle	Mgr	20/8/16	Zero Burning	Mgr	23/5/16	PPE for sprayer	AM	Hwa Li Estate 1	19/6/16	Rat Baiting	AM	13/6/16	Landfill	AM	24/6/16	Segregation	AM	15/12/16	SOP Genset/WTP	AM	21/1/17	Nozzle Calibration	AM	13/11/16	Manuring/Riparian Zone	AM	13/6/16	SOP Driving	AM	8/6/16	SOP Harvesting	AM	Complied
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4.8.2 Records of training for each employee shall be maintained. - Minor compliance -	Records of training for each employee were maintained at mill and estate office.	Complied																																																																												

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criterion 5.1:

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

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<p>5.1.1</p> <p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>Carotino Production unit has carried out the annual review of environmental impacts in term of Environmental and Social Improvement Plan. The review was last carried on 12/9/16. The plan incorporated the environmental aspect and impacts with mitigation plans for mill and estates activities. List of impacts identified as follows: i)Soil erosion and water management ii)Plantation operation management iii)Protection of HCV</p> <p><u>Hwa Li 2 Estate</u> Identification of environmental impact assessment derived from baseline SEIA report by Wildasia dated January 2009 for Carotino Production Unit. The environmental impact register was developed based on the SEIA report. Refer to doc ref# O/005-01/2009.</p> <p><u>Hwa Li 1 Estate</u> Identification of environmental impact assessment derived from baseline SEIA report by Wildasia dated January 2009 for Carotino Production Unit. The environmental impact register was developed based on the SEIA report. Refer to doc ref# N/004-07/2016 dated 12/9/16.</p>	<p>Complied</p>
<p>5.1.2</p> <p>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 management plan. The management plan shall identify the responsible person/persons. - Minor compliance -</p>	<p>There were no major changes to the identified impacts since the establishment of the documents above. Impacts such as waste management and recycling, fire prevention and control and chemical application & raw water pollution management were verified at the Carotino Palm Oil Mill.</p> <p>For the estates, protection of riparian reserve, protection of steep areas and water resources were among the identified aspect. Mill and estate assistant were assigned as the responsible person to monitor the progress of management plan.</p>	<p>Complied</p>
<p>5.1.3</p> <p>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 -</p>	<p>The monitoring of the documented environmental improvement plans is on-going. Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis scheduled at the 3rd quarter of the following year. The review will take into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams.</p>	<p>Complied</p>

Criterion 5.2:

The status of rare, threatened or endangered species and 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.

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<p>5.2.1</p> <p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>A final 'A conservation assessment of Carotino's Peninsular Malaysian Estates – Conservation values and recommendations' dated 22 January 2008 by WildAsia is made available. The report identifies habitat areas of significance within the estates and makes recommendations for their conservation. This includes a timetable for implementation of riverine buffers and suggests support for the conservation of lowland forest and karsts areas surrounding the estates. The report also includes estate level map identifying conservation area within each estate is available.</p> <p>HCV identification and management plan, doc ref# C/015-06/2016 revised date 5/9/16 has been established and reviewed on yearly basis to manage and enhance the conservation areas within the estates (e.g. physical boundary for estate is proper marked and identified). Any activities that involved loss of ecological and biodiversity landscape need to be communicated with the relevant @ peripheral stakeholders (forest department, logging concessionaires, mining operators and smallholders.</p>	<p>Complied</p>
<p>5.2.2</p> <p>Where rare, threatened or endangered (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 a management plan.</p> <p>- Major compliance -</p>	<p>Regular patrols within the operating unit estates were carried out and findings recorded by the field supervisors to monitor the Conservation / buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented.</p>	<p>Complied</p>
<p>5.2.3</p> <p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated 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.</p> <p>- Minor compliance -</p>	<p>Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signages as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain at biodiversity areas.</p>	<p>Complied</p>
<p>5.2.4</p> <p>Where a management plan has been created there shall be ongoing monitoring:</p> <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 management plan. <p>- Minor compliance -</p>	<p>The HCV management plan which was documented as HCV improvement plan has been reviewed on yearly basis where the plan includes monitoring of buffer zone area and conservation area in the estate and surrounding area. Regular patrolling by estate security personnel (to check for encroachment, animal sightings etc)</p>	<p>Complied</p>

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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 -	It is verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited. Thus negotiated agreement of such nature is not applicable.	Complied
Criterion 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 -	Visits made to Mill together with estates showed that all waste products and sources of pollution were identified and documented as per the Waste and Waste Products Identification and Disposal Plan, F/007-06/2016 The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. used lubricants, boiler ash and empty fruit bunches were maintained and monitored at the Mill. Scheduled Waste identified included spent hydraulic oil (SW 305), used filters SW 410 and empty container (SW409). Refer to 2 nd schedule, notification no. 20170207112RQAOU Records on the usage and disposal were well recorded and documented.	Complied
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance -	Used containers meant for reuse were separately stored and monitored by the respective Office Store personnel. All excess used chemical containers were punctured as per DOE guidelines and disposed of by appointed Estate contractors such as G-Planters Sdn. Bhd and Indah Agri Bio.	Complied

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<p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p><u>Mill & Estates</u></p> <p>There is a waste management plan in place as per the Waste and Waste Products Identification and Disposal Plan for Estates and Mills, Doc. Ref. No. F/007-04/2015. Operational waste separated from schedule waste and recyclable waste (EFB, Shell, Fibre etc).</p> <p><u>Carotino POM</u></p> <p>Inventory of Scheduled Wastes for SW 305 & SW410 under 5th schedule, ref# 0604C118225112017 dated 20/1/17.</p> <p>Disposal of clinical waste was carried out by DOE approved contractor, Sharps and Bins. Latest disposal was made on 1/11/16.</p> <p>For SW 305, SW410 and SW 409 the last disposal was made on 4/1/17. CN# 56874 (SW410), CN# 56873 (SW305), CN# (SW409)</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p> <p><u>Hwa Li 2 Estate</u></p> <p>Disposal of scheduled waste was last carried out by DOE license contractor, Urban Environmental Industries Sdn Bhd on 14/1/17. Verified consignment notes for: SW410 (CN# 56930), SW305 (CN# 56931), SW409 (CN# 56932)</p> <p>Disposal of empty chemical container by DOA approved collector, G-Planter. Latest disposal was made on 3/2/17.</p> <p><u>Hwa Li 1 Estate</u></p> <p>Disposal of scheduled waste was last carried out by DOE license contractor, Urban Environmental Industries Sdn Bhd on 20/1/17. Verified consignment notes for SW305 (CN# 56917).</p> <p>Disposal of empty chemical container by DOA approved collector, G-Planter. Latest disposal was made on 3/2/17.</p> <p>Collection of clinical waste was done by nearby government medical assistant (KK Perwira Jaya) and disposed thru DOE approved contractor. Latest collection was done on 17/1/17.</p>	<p>Complied</p>

Criterion 5.4:
Efficiency of fossil fuel use and the use of renewable energy is optimised.

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5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>	<p>Renewable energy plan has been reviewed annually. Last review was done on 2/1/17. The plan incorporated the reduction of diesel usage, usage of fibre and shell, utilization of RE (turbine and gas engine). Summary of electricity generation as per below table:</p> <table border="1" data-bbox="660 562 1297 656"> <thead> <tr> <th>Year</th> <th>Turbine</th> <th>Gas Engine</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>2,281,362 kWh</td> <td>1,220,242 kWh</td> </tr> <tr> <td>2016</td> <td>1,894,356 kWh</td> <td>2,169,157 kWh</td> </tr> </tbody> </table> <p>Summary of diesel consumption for 2 consecutive years as follows: FY 15/16 : 1.98 liter per CPO FY 16/17 todate : 2.33 liter per CPO</p>	Year	Turbine	Gas Engine	2015	2,281,362 kWh	1,220,242 kWh	2016	1,894,356 kWh	2,169,157 kWh	Complied
Year	Turbine	Gas Engine										
2015	2,281,362 kWh	1,220,242 kWh										
2016	1,894,356 kWh	2,169,157 kWh										
<p>Criterion 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.</p>												
5.5.1	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>Mill & Estates has established Guidelines on Garbage Disposal Doc. Ref. No. F/006-05/2013 which emphasize on No open burning is allowed under Group Policy.</p>	Complied									
5.5.2	<p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance -</p>	<p>No use of fire for land preparation during replanting. Guideline on Long Term Replanting Planning, Doc. No. A/016-01/2015 has been established whereby as per Group Policy fire is prohibited as part replanting field preparation.</p>	Complied									
<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>												
5.6.1	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>- Major compliance -</p>	<p>The Mill and estates had reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land. Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringellman Smoke Chart. POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations.</p> <p>Result of stack sampling for boiler no.2 as per below: 1st half : 14/6/16 – 0.332 g/Nm3 at 12% CO2 2nd half : 7/11/16 – 0.340 g/Nm3 at 12% CO2</p>	Complied									

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5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. POME, methane gas, diesel / fuel and fertilizer. Their usage have been recorded and documented at each of the operating units. Approved GHG calculator, Palm GHG was used for the calculation during implementation period.	Complied
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 -	Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per regulations and SW disposal were adhering to DOE requirements. Effluent Final Discharge Water samples were regularly taken every week and tested to ensure compliance to DOE requirements at final discharge points. The water samples were sent to FELDA Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limits. Weekly reporting to DOE was also done and record documented. Isokinetic stack sampling for boiler done on half yearly. Results of parameter reading were within the allowable standard limits.	Complied
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.		
Criterion 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 -	Social and Environmental Impact Assessment was conducted by Wild Asia on 14-17/10/2008 with documented report dated 14/1/2009. The assessment conducted was involved site visits, document reviewed and interviewed with the relevant stakeholders such as workers, suppliers, villagers, government authorities and etc. Annually, each of the estate and mill will review the Environmental and Social Improvement Plan following the meeting/ discussion/ visit with internal and external stakeholder i.e. meeting minutes, visit record, workers survey, etc. It was noted that the Environmental and Social Improvement Plan has been updated on the month of September for the visiting site of CPOM, Hwa Li 1 and 2 estate.	Complied
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The assessment was conducted with the participation of relevant stakeholders such as internal and external stakeholders. The approach of the assessment was reported in the SEIA report dated 14-17/10/2008.	Complied

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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, documented and timetabled, including responsibilities for implementation. - Major compliance -	Annually, each of the estate and mill will review the Environmental and Social Improvement Plan following the meeting/ discussion/ visit with internal and external stakeholder i.e. meeting minutes, visit record, workers survey, etc. It was noted that the Environmental and Social Improvement Plan has been updated on 12/9/2016 for the visiting site of CPOM, Hwa Li 1 and 2 estate. Common aspect being identified such as provision of employment opportunities to local communities and provide better living and working condition.	Complied
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 evidence that the review includes the participation of affected parties. - Minor compliance -	The Environmental and Social Improvement Plan was reviewed by yearly and the last review was conducted on 12/9/2016. The plan has been implemented through training, stakeholder meeting and inspection.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	Not applicable. No smallholder schemes in the certification unit.	Not applicable
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	JC Chang Group has established SOP on Mechanism for Communication and Consultation with Doc. Ref. No. E/004/07-2015 dated 8/9/2015. There are three methods of communication such as below: <ul style="list-style-type: none"> a. Consultative with employees and others stakeholders b. Gender group (female) consultation c. Free prior informed consent Mechanisms of the communication such as Joint Consultative Committee (JCC), Complaints and Grievance Procedure and suggestion box outside the office.	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	Admin officer- Ms Norzilawati in the POM and Ms Hamsha in Hwa Li 2 have been nominated as the person responsible for issues such as stakeholder request, complaints & grievances. The notice of appointed persons was displayed at the notice board outside the mill office.	Complied

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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, shall be maintained. - Minor compliance -	<p>Carotino POM has developed a stakeholder list which last reviewed on 01/02/2017. The list included FFB suppliers, sister estates, suppliers, NGOs, contractors, government authorities and local communities. Stakeholder meeting was conducted on 23/11/2016 with the participation of contractors and nearby estates. The meeting minutes and attendant list is sighted. Actions have been taken to resolve the issues raised during the meeting.</p> <p>Hwa Li 2 stakeholder meeting conducted on 25 Jan 2017 with the Prosper Commodity Sdn Bhd discussed on the replanting on next year planning, staff and workers shortage.</p> <p>In Hwa Li 1 estate, the estate manager will visit their stakeholder and meeting minutes recorded. For example, manager visited their neighbouring estate- Kuantan Trading Co Sdn Bhd on 24 Jan 2017 and Suburban Properties Sdn Bhd on 19 Jan 2017.</p>	Complied
<p>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p>		
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 whistleblowers, where requested. - Major compliance -	<p>JC Chang Group has developed a SOP on Mechanism for Complaints and Grievances with Doc. Ref. No. E/001-05/2015 dated 11/9/2015. The procedure has documented what type of matters that could and could not be consider as grievances, general requirements, and procedures of complaint lodged by the affected person with timeframe to handle the issues which divided into four levels, records of grievance, corrective actions and etc. Total number of working days for a grievance to be processed 27 days.</p>	Complied
6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –	<p>Most of the complaints were related to house repair work such as broken fan or door. The management has taken action to rectify the problems. The complainants have acknowledged after the problems been rectified. For example, 21 Aug 2016, house breaking and issue solved in Hwa Li 2 estate.</p>	Complied
<p>Criterion 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, local communities and other stakeholders to express their views through their own representative institutions.</p>		
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 -	<p>JC Chang Group has developed a SOP for Identifying Legal and Customary Rights and Identifying People Entitled to Compensation with Doc. Ref. No. E/002-03/2015 dated 8/9/2015. The procedure has detailing the procedure on how to identify the legal and customary rights, procedure on calculating and distributing fair compensation as well as documentation of the outcome of compensation.</p>	Complied

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6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, 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 -	SOP as per criterion 6.4.1.	Complied
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 -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
Criterion 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 -	Mill and estates have employed local and foreign workers. All the workers are under direct employment. Sampled payslip from October – December 2016 as below: <u>POM:</u> a. Employee ID: G0139 b. Employee ID: G0140 c. Employee ID: G0241 d. Employee ID: G0245 e. Employee ID: G0250 f. Employee ID: G0252 g. Employee ID: G0262 Hwa Li 2: a. Employee ID: HTO 1053; b. Employee ID: HTO 914; c. Employee ID: HE200218; d. Employee ID: HE200156; Hwa Li 1: a. Employee ID: HLE0809 b. Employee ID: HE100100 c. Employee ID: HE100061 All the sampled workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/ month or RM 38.50/ day.	Complied

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<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Employment contract are available in language that understood by workers. The contract has detailing the payments and employment conditions such as period of working, working hour, medical assistance, housing, holiday and annual leave, period of notice and etc. The contract was signed by the workers and sampled contracts as below:</p> <p><u>Carotino POM:</u></p> <ul style="list-style-type: none"> a. Employee ID: G0139 b. Employee ID: G0140 c. Employee ID: G0241 <p>Hwa Li 2:</p> <ul style="list-style-type: none"> e. Employee ID: HTO 1053; f. Employee ID: HTO 914; g. Employee ID: HE200218; h. Employee ID: HE200156; <p>Hwa Li 1:</p> <ul style="list-style-type: none"> d. Employee ID: HLE0809 e. Employee ID: HE100100 f. Employee ID: HE100061 <p>Extension contract for the workers were sampled and the contracts were valid as below:</p> <ul style="list-style-type: none"> a. Employee ID: G0262; contract signed on 01 Jan 2013 b. Employee ID: G0199; contract signed on 07 Feb 2013 c. Employee ID: G0139; contract signed on 01 Jan 2013 d. Employee ID: G0140; contract signed on 01 Jan 2013 <p>Hwa Li 2 estate:</p> <ul style="list-style-type: none"> i. Employee ID: HTO 1053; extension contract signed on 4/8/2015 j. Employee ID: HTO 914; extension contract signed on 23/11/2015 k. Employee ID: HE200218; contract signed on 27/10/2016 l. Employee ID: HE200156; contract signed on 19/08/2015 <p>Hwa Li 1 estate:</p> <ul style="list-style-type: none"> a. Employee ID: HE100122; extension contract signed on 20/3/2016 b. Employee ID: HE100011; extension contract signed on 24/04/2015 <p>All the workers who joined before the enforcement of new Minimum Wage Order 2016 had signed on detail of changes on terms and conditions of employment. The appendix has detailing the new daily and monthly rate.</p>	<p>Complied</p>

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6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –</p>	<p>The workers were provided with housing, free water and electricity supply, medical and education assistance such as school bus in POM. In POM and estates' line-site has been inspected on weekly basis and the records- Labour Line inspection book year 2017 were sighted.</p>	<p>Complied</p>
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance –</p>	<p>Sundry shops were located in the mill and estates' compound. The goods and foods price list was displayed at the shop.</p>	<p>Complied</p>
<p>Criterion 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.</p>			
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available. - Major compliance -</p>	<p>J.C. Chang Group has established Social and Human Rights Policy dated 1/9/2016 signed by the Mill Director. The policy has a statement where the management is respect the right of employees to join any association freely. In Hwa Li 1, the policy has been briefed to the employees on 23/01/2017. Attendant list was sighted. The policy was displayed at the notice board outside the office.</p>	<p>Complied</p>
6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -</p>	<p>Joint Consultative Committee (JCC) was established to discuss issues related to workers. The committee was formed by different nationality such as Indonesian, Nepal and local. All the workers' representatives were elected democratically by all the workers themselves. The meeting being conducted every four months. For example, the last meeting was conducted 20/12/2016 and 15 Aug 2016 for Hwa Li 1 estate. Meeting minutes is sighted and actions have been taken to resolve the issues raised by the workers.</p>	<p>Complied</p>
<p>Criterion 6.7: Children are not employed or exploited.</p>			
6.7.1	<p>There shall be documentary evidence that minimum age requirements are met. - Major compliance -</p>	<p>J.C. Chang Group has established Social and Human Rights Policy dated 1/9/2016 signed by the Mill Director. The policy has a statement where the management will not employed minor who is under 18 years old. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees on 4/10/2016. Attendant list was sighted. Document reviewed of the workers' list in mill and estate found that the management did not employ workers less than 18 years old.</p>	<p>Complied</p>
<p>Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>			

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6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	JC Chang Group has established Equal Opportunities Policy dated 1/7/2012 signed by the Mill Director. All the employees with calibre will be given equal opportunities to participate in relevant development programmes. The policy was displayed at the notice board outside the office. In Hwa Li 2, the policy has been briefed to the employees on 23/01/2017. Attendant list was sighted.	Complied
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 -	The management is committed to ensure that the workplace is free from discrimination or any forms of discriminatory harassment. They treated all the employees equally irrespective of sex, marital status, age, race, national origin, religion and political beliefs. The management has recruited female and male workers. It was also confirmed through interview the workers from mill and estates.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	The management recruited the employees based on skills, experiences and attitude of the employees is appropriate to the positions offered. The management will provided development programme to those who are competent and capable without any discrimination or prejudice. It was also confirmed through interview the workers from mill and estates and verified their individual workers files (contract, increments and training records)	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1 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 -	JC Chang Group has established Sexual Harassment Policy dated 1/7/2012 signed by the Mill Director. The policy is to promote a workplace that is free of sexual harassment. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees on 21/01/2017. Attendant list was sighted. Six monthly of the gender committee meeting will emphasize on the policy and process for lodging complaint for sexual harassment.	Complied
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 -	JC Chang Group has established Policy of Reproductive Rights with Doc. Ref. No. E/015-01/2015 dated 8/9/2015. The management respects the rights of reproductive as part of human rights. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees on 2/11/2015. Attendant list was sighted.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
6.9.3	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>The managements have established a Gender Committee which consists of employer’s representatives, employee’s representatives and dependent’s representatives. Meeting was conducted on 11/5/2016 and 9/11/2016 for Hwa Li 2. The meeting was conducted at least twice per year.</p> <p>Meeting minutes and attendant lists were sighted. Issues raised during the meeting were resolved and no pending issues. There is no any sexual harassment case reported through interview and document review.</p> <p>SOP on mechanism for the prevention and eradication of sexual harassment and violence in the workplace (E/003-01/2008) dated 1 Oct 2008 was established as the mechanisms to prevent and eradicate sexual harassment in the workplace.</p>	Complied
<p>Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance -</p>	<p>Not applicable as the management unit did not has any business dealing with smallholder.</p> <p>However, the mill has displayed the FFB pricing of daily at the weighbridge area. The pricing was displayed in front of the weighbridge counter.</p>	Not applicable
6.10.2	<p>Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).</p> <p>- Major compliance -</p>	Not applicable	Not applicable
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	<p>Sampled one of the agreement (HL2/FFB/FY2016/2017) of the FFB contractor. The contract agreement has stated the full payment shall be made by the estate on 7th of the following month.</p> <p>Through interviewed with the FFB transporter confirmed that no any late payment or grievance related to payment reported.</p>	Complied
6.10.4	<p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>Sampled on the following invoice dated</p> <p>a. No: IN 2016/12-12 dated 31 Dec 2016 and</p> <p>b. No: IN 2016/11-09 dated 30 Nov 2016</p> <p>Through interviewed with the FFB transporter confirmed that no any late payment or grievance related to payment reported.</p>	Complied
<p>Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.</p>			

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Criterion / Indicator	Assessment Findings	Compliance	
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	Contributions are regularly made to school activities and community activities. Donation has been contributed to local community such as: a. Contribution of school transportation on monthly basics in POM b. Contribution for hamper for Raya festival to local government authorities c. Provided curtain materials for SK Chenderawasih on 29 Jan 2016 d. Donation to PIBG dated 11 Oct 2016	Complied
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 –	Not applicable. No scheme smallholders within the production unit.	Not applicable
Criterion 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 -	JC Chang Group has established Social and Human Rights Policy dated 1/9/2016 signed by the Mill Director. The policy has a statement where the management will not practice forced or trafficked labour. The policy was displayed at the notice board outside the office. The policy has been briefed to the employees on 1/10/2016. Attendant list was sighted. The workers have signed on a consent letter to tender the passport voluntarily to the management for safety issue.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	No contract of substitution is sighted.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Social and Human Rights Policy is implemented. All the workers were treated equally and no discrimination occurred. Carotino Unit did not employed temporary workers.	Complied
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	JC Chang Group has established Social and Human Rights Policy dated 1/9/2016 signed by the Mill Director. The policy was displayed at the notice board outside the office. In POM and Hwa Li 2, the policy has been briefed to the employees on 1/10/2016 and 31/1/17 respectively. Attendant list was sighted.	Complied
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.	Not applicable.	Not applicable

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Criterion / Indicator	Assessment Findings	Compliance	
<p>Principle 7: Responsible development of new plantings Carotino Palm Oil Mill Certification unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this annual surveillance. The immature areas are replanted area.</p>			
<p>Principle 8: Commitment to continual improvement in key areas of activity</p>			
<p>Criterion 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.</p>			
<p>8.1.1</p>	<p>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.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Sustainability improvement plan for 2016/2017 available with allocated OPEX.</p> <p>Minimise the use of certain pesticides</p> <ul style="list-style-type: none"> - Mature & immature palm (P&D control : spraying with biological control chemical planting & weeding predator host plant, rat control and RB) - IPM implementation (BOB, beneficial maintenance) - Rotor slashing field inter-row - Cover crop upkeep and maintenance <p>Environmental impacts & pollution and GHG emission</p> <ul style="list-style-type: none"> - Conservation of riparian buffer zone - Maintenance of field drain - Road maintenance programme - River water monitoring - Waste collection, segregation and recycling - Zero burning practice for land preparation - Biogas project (methane capturing and biogas engine operation) <p>Social impacts</p> <ul style="list-style-type: none"> - CSR project, annual "kenduri", re-adjustment of salary - Free water and electricity for workers - House repair and maintenance 	<p>Complied</p>

Appendix B: Approved Time Bound Plan

The Takon Production Unit is the last Unit to be certified under Carotino/ JC Chang Group. The Takon Palm Oil Mill and its FFB supplying plantations under the JC Chang group was seeking to be certified by April 2016. The Takon Production Unit comprises of 1 palm oil mill and 4 oil palm plantations located in the State of Sabah, Malaysia. However the following are some of the challenges raised for a deferment:

Reasons / Justification for deferring RSPO certification plan for Takon Production Unit.

1. The original proposed plan to certify our Takon Production Unit in Sabah was somewhat over ambitious as it was based on the achievement of our other Production Units where some basic preparatory works were started 2 to 3 years ahead of its pre and main assessments. The CB commented that our plan was challenging connotes that we were somewhat over-zealous on the plan proposed.
2. The overly long delay of more than a year by CB and RSPO Board to vet and re-vet our Production Units' certification report and limited premium paid / uptake on certified products had created disappointment and a sense of uncertainty on the RSPO certification process and direction which somehow had affected our zest and drive to pursue vigorously on the preparatory works for our Takon Production Unit in Sabah.
3. As our Takon Production Units in Sabah have out-grower supply base, their reluctance and unpreparedness to embrace RSPO certification voluntarily has somewhat setback our pace to initiate the certification process as previously planned. More than 50% of FFB received are from outsider farm.
4. The pace of development for RSPO certification in our Takon Production Unit was generally slowed by lack of personnel with the right knowledge, exposure and experience in the operating unit to stimulate RSPO enthusiasm and to spur the necessary trainings and other preparatory works.
5. By the process, plantation groups which have become member of RSPO should plan for certification soonest so as to demonstrate their sincerity for being a member and not to hitch a ride on the RSPO name. Hitherto, many large Malaysia plantation groups which have become member have yet to get any of their production units certified. As such, in all fairness and in the spirit of RSPO, it is pertinent to ponder whether this is more inappropriate and un-abiding that the deferment of our stated plans to certify our Takon Production Unit in Sabah.

No.	Production Units	Location	Status	TBP	Remark
1	Asia Palm Oil Mill		Certified	Certified on 31/1/2013. Date of ASA3 assessment 26-30/10/15.	
	i) Melewar Estate 2	Lahad Datu, Sabah			
	ii) Hwa Li Estate 3	Lahad Datu, Sabah			
	iii) Asia Oil Palm Estate 2	Lahad Datu, Sabah			
2	Melewar Palm Oil Mill		Certified	Certified on 7/2/2014. ASA 2 was conducted on 17- 19/11/15.	
	i) Gerola Estate	Lahad Datu, Sabah			
	ii) Pahang Oil Palm Estate 2	Lahad Datu, Sabah			
	iii) Pahang Oil Palm Estate 3	Lahad Datu, Sabah			

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	iv) Melewar Estate 1	Lahad Datu, Sabah			
	v) Tye Yang Estate	Lahad Datu, Sabah			
3	Carotino Palm Oil Mill		Certified	Certified on 27/11/2010. Recertification completed in 2015.	
	i) Maran Estate	Kuantan, Pahang			
	ii) Asia Oil Palm Estate 1	Kuantan, Pahang			
	iii) Hwa Li Estate 1	Segamat, Johor			
	iv) Hwa Li Estate 2	Segamat, Johor			
	v) Pahang Oil Palm Estate 1	Kuantan, Pahang			
4	Takon Palm Oil Mill		Pending Main Assessment	2017	The last remaining production unit is pending for RSPO Main Assessment which is supposed to be completed in 2016. However, the assessment was deferred due to the withdrawal of SGS as certification body. Currently, the delay of Main Assessment is due to pending of approval on HCV Disclosure by RSPO. Once approved and allowed for new certification, we will be able to certified the last production unit.
	i) Pelita Estate	Lahad Datu, Sabah			
	ii) Muis Melewar Plantation 1	Tawau, Sabah			
	iii) Muis Melewar Plantation 2	Lahad Datu, Sabah			
	iv) Takon Estate	Lahad Datu, Sabah			

Appendix C: Certification Unit RSPO Certificate Details

Carotino/JC Chang Group
 Carotino Palm Oil Mill
 (Carotino Production Unit)
 PT 116, Lot No. 3840
 Mukim Ulu Lepar
 26500 Kuantan, Pahang, Malaysia
 RSPO membership number: 2-0029-06-000-00

BSI RSPO Certificate No. : RSPO 649410
 Date of Initial Certificate Issued: 27/04/2010
 Date of Expiry: 26/04/2020
 Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module D
 – CPO Mills: Identity Preserved)

Carotino Palm Oil Mill and Supply Base					
Location Address	PT 116, Lot No. 3840, Mukim Ulu Lepar 26500 Kuantan, Pahang, Malaysia				
GPS Location	102° 49' 5.5668" E ; 3° 48' 59.8572" N				
CPO Tonnage Total	34,688.32 mt				
PK Tonnage Total	8,849.75 mt				
CPO Claimed for Certification*	34,688.32 mt				
PK Claimed for Certification *	8,849.75 mt				
Own estates FFB Tonnage	169,211.32 mt				
Scheme Smallholder FFB Tonnage	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Asia Oil Palm Estate 1	1,948.71	0	192.11	2,140.82	45,785.22
Hwa Li Estate 1	1,798.36	131.38	232.11	2,161.85	34,367.80
Hwa Li Estate 2	1,028.94	482.51	147.76	1,659.21	21,096.91
Maran Estate	1,419.90	364.41	356.51	2,140.82	25,932.82
Pahang Oil Palm Estate 1	1,835.21	0	305.54	2,140.75	42,028.58
TOTAL	8,031.12	978.30	1,234.03	10,243.5	169,211.32

Appendix D: Assessment Plan

Date	Time	Subjects	Hidhir	Hafiz	Boon Han
Sunday 5/2/2017	PM	Audit Team travelling to Kuantan	√	√	√
Monday 6/2/2017 Carotino Palm Oil Mill	08.30– 09.00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize audit plan (including stakeholder’s consultation) 	√	√	√
	09.00– 13.00	Carotino Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	13.00-14.00	Lunch	√	√	√
	14.00– 16.30	Carotino Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30 - 17.00	Interim Closing briefing. Audit team travelling to Muadzam Shah. Check-in at Tong Villion Hotel, Muadzam Shah.	√	√	√
Tuesday 7/2/2017 Hwa Li 2 Estate	08.30– 13.00	Hwa Li 2 Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	10.00– 13.00	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	13.00– 14.00	Lunch	√	√	√
	14.00– 16.30	Hwa Li 2 Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30 - 17.00	Interim Closing Briefing. Audit team travelling to Segamat. Check-in at Golden Lake Hotel (town), Segamat.	√	√	√

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Date	Time	Subjects	Hidhir	Hafiz	Boon Han
Wednesday 8/2/2017 Hwa Li 1 Estate	8.30 – 13.00	Hwa Li 1 Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill and etc.	√	√	√
	13.00– 14.00	Lunch	√	√	√
	14.00– 16.30	Hwa Li 1 Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	15.30– 16.30	Verify any outstanding issues & preparation for closing meeting	√	√	√
	16.30– 17.00	Closing meeting & presentation of finding	√	√	√
Thursday 9/2/2017	AM	Audit team travelling back to KL	√	√	√

Appendix E: Stakeholders Contacted

Internal Stakeholders

Representatives from Estate Department Management Mill Manager and Assistants Estate Managers and Assistants Lab assistant and helper Store keeper Biogas operator Genset operator Foreman Effluent Treatment Plan Operator Engine Driver Gender Committee Representatives Hospital Assistant Male and Female workers Field mandore Field workers (loose fruit collector, manurer & harvester)	FFB Suppliers Sundry Shop Owner Housewives	
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External Stakeholders

Government Departments	NGOs and others	Local Communities Pasa Village SK Chenderawasih Lum Palm Oil Mill (nearby mill) Abroginal people
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Appendix F: CPO Mill Supply Chain Assessment Report (Module D: Identity Preserved)

Requirements	Compliance
D.1. Definition	
<p>D.1.1 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>Carotino Palm Oil Mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>
D.2 Explanation	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 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>	<p>The mill has met 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>
D.3 Documented procedures	
<p>D.3.1 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:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>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>Written documented procedures, Sustainable Mill SOP, for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non-certified FFB. The mill manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. The IP model is used because only certified FFB from own supply base is received and processed at Carotino Palm Oil Mill. Among the established SOP are:</p> <ul style="list-style-type: none"> i) CCP/01-03/2013 (SOP at Reception Station) ii) CCP/08-04/2014 (SOP to dispatch CP and PK), dated 20/12/14, iii) MBC-02/2014-CPOM (SOP for RSPO SCC Standard Products Calculation, dated 18/12/14) iv) Mechanism For Handling Non-Conforming FFB, MEC-02/2014-CPOM dated 14/12/14. v) SOP for reporting and documentation, CP/12-03/2014. Dated 19/12/14.
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Carotino Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs.</p>
D.4 Purchasing and goods in	

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<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Carotino mill have system to verify at the weighbridge. Sample of weighbridge ticket :</p> <p><u>Hwa Li Estate 2</u> Lorry: JLN1276 date: 20/2/16, DO# 30094, WB ticket# FFB17001094W ID : Stamped Sustainable</p> <p><u>Hwa Li Estate 1</u> Lorry: JHQ4232 date: 22/1/17, WB ticket# FFB17000870W ID : Stamped Sustainable</p> <p><u>Maran Estate</u> Lorry: BKN2169 date: 31/1/7, DO# 19226 WB ticket# FFB17001155W ID : Stamped : Sustainable</p> <p><u>Asia Oil Palm Estate 1</u> Lorry: WXL 5243 date: 31/1/17, DO# 118682 WB ticket# FFB17001141W ID : Stamped : Sustainable</p>
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The facilities aware of this procedure and stated in the.</p>
<p>D.5 Record keeping</p>	
<p>D.5.1 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>All the inventory records are maintained and updated on daily basis and monthly and reported on monthly and 3 monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Carotino Palm Oil mill. PK is sold to 3rd party KCP.</p> <p>CPO sold to JC Chang own (Carotino Refinery) the other 3rd party buyer (ISF Sdn Bhd). Daily records are prepared at the entry point at the weighbridge.</p> <p>Sample of CPO contract and WB ticket: January 2016 – Contract ref# CA3219 Date: 22/1/17, Lorry: WCT4202, WB ticket# CPO17000040W, weight; 36.58 mt. ID stamped: RSPO Sustainable</p> <p>Sample of PK contract and WB ticket: January 2017 – Contract ref# CA2777 Date:19/1/17, Lorry: BDA4895, WB ticket# PK17000010W, weight; 39.82mt. ID stamped: RSPO Sustainable</p> <p>Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.</p>
<p>D.6 Processing</p>	
<p>D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.</p>	<p>During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing. No non-certified FFB received.</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.</p>

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Actual Certified Palm Production – February 2016 – January 2017 (ASA2 1)

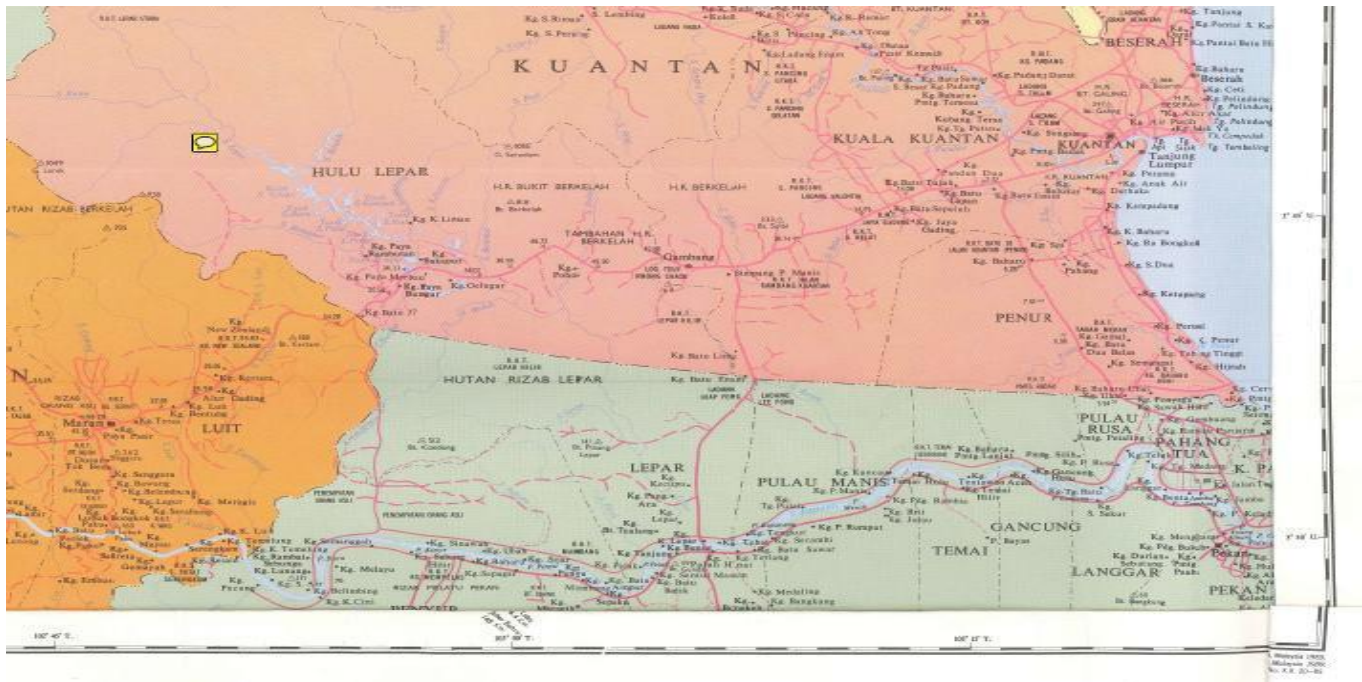
Mill	Processing Capacity	CPO	PK
Carotino Palm Oil Mill	45 mt/hr	24,023.37	5,909.308

Actual Sales of Certified Palm Products – February 2016 – January 2017 (ASA2 1)

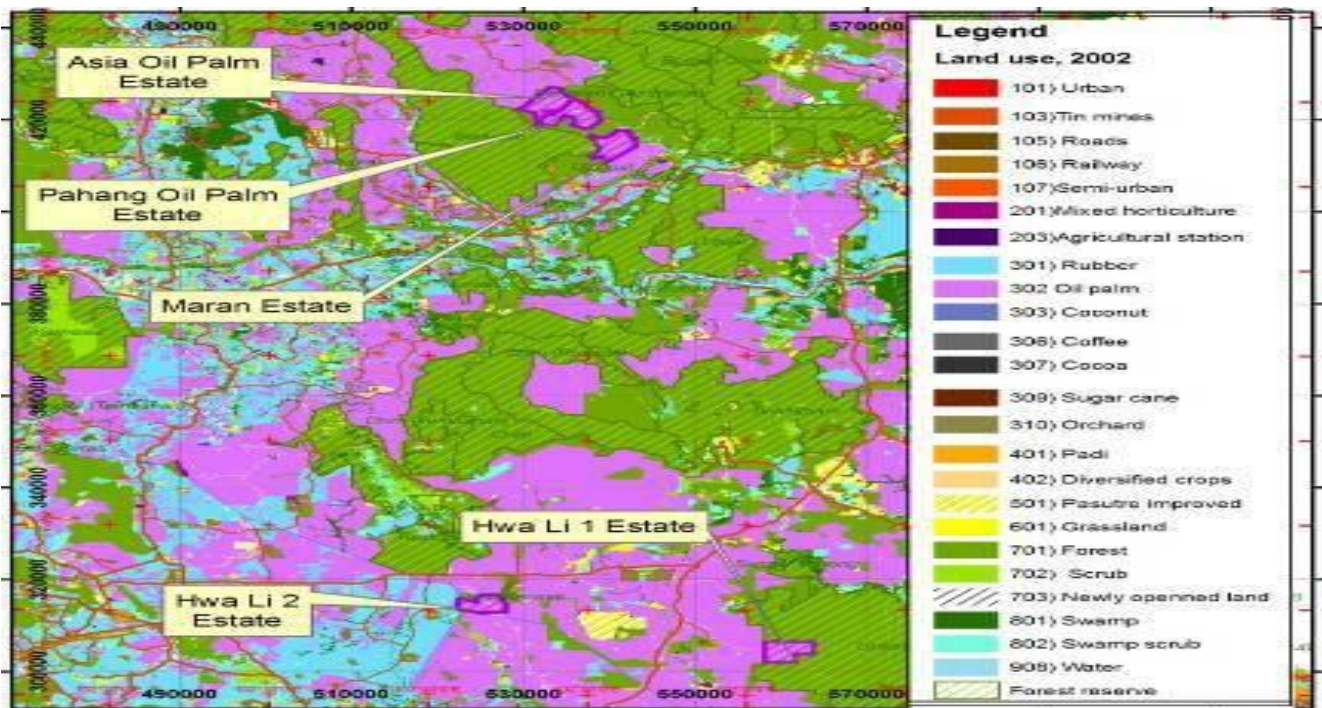
Mill	CPO (Certified)	Remarks	PK (Certified)	Remarks
Carotino Palm Oil Mill	18,606.37	Sales of certified palm products in eTrace	3,976.46	Sales of certified palm products in eTrace

Month	Certified Supply Base (from own certificate scope) (mt)					Total FFB/Month (mt)
	Asia Oil Palm Estate 1	Hwa Li Estate 1	Hwa Li Estate 2	Maran Estate	Pahang Oil Palm Estate	
Feb 2016	2,061.92	1,282.45	2,107.44	875.68	1,906.66	8,234.15
March 2016	2,386.09	1,386.21	2,719.11	1,327.87	2,203.38	10,022.66
April 2016	2,337.47	1,233.65	2,289.79	1,440.52	2,374.54	9,675.97
May 2016	2,534.27	1,136.57	2,065.42	1,416.11	2,039.28	9,191.65
June 2016	2,270.32	1,358.99	1,623.61	1,420.64	2,270.80	8,944.36
July 2016	2,339.85	1,187.63	1,461.53	1,881.84	2,504.14	9,374.99
August 2016	2,547.74	678.92	1,016.20	1,605.39	2,575.16	8,423.41
Sept 2016	3,845.21	1,003.31	1,323.54	2,321.96	3,459.46	11,953.48
Oct 2016	3,682.70	889.89	1,284.23	1,952.85	3,467.82	11,277.49
Nov 2016	3,809.77	1,221.12	1,699.41	2,090.09	3,280.92	12,101.31
Dec 2016	3,122.18	1,530.81	1,419.22	1,395.72	2,964.96	10,432.89
Jan 2017	2,679.34	1,483.21	1,466.27	1,347.98	2,652.15	9,628.95
Total	33,616.86	14,392.76	20,475.77	19,076.65	31,699.27	119,261.31

Appendix G: Location Map of Carotino Palm Oil Mill Certification Unit and Supply bases



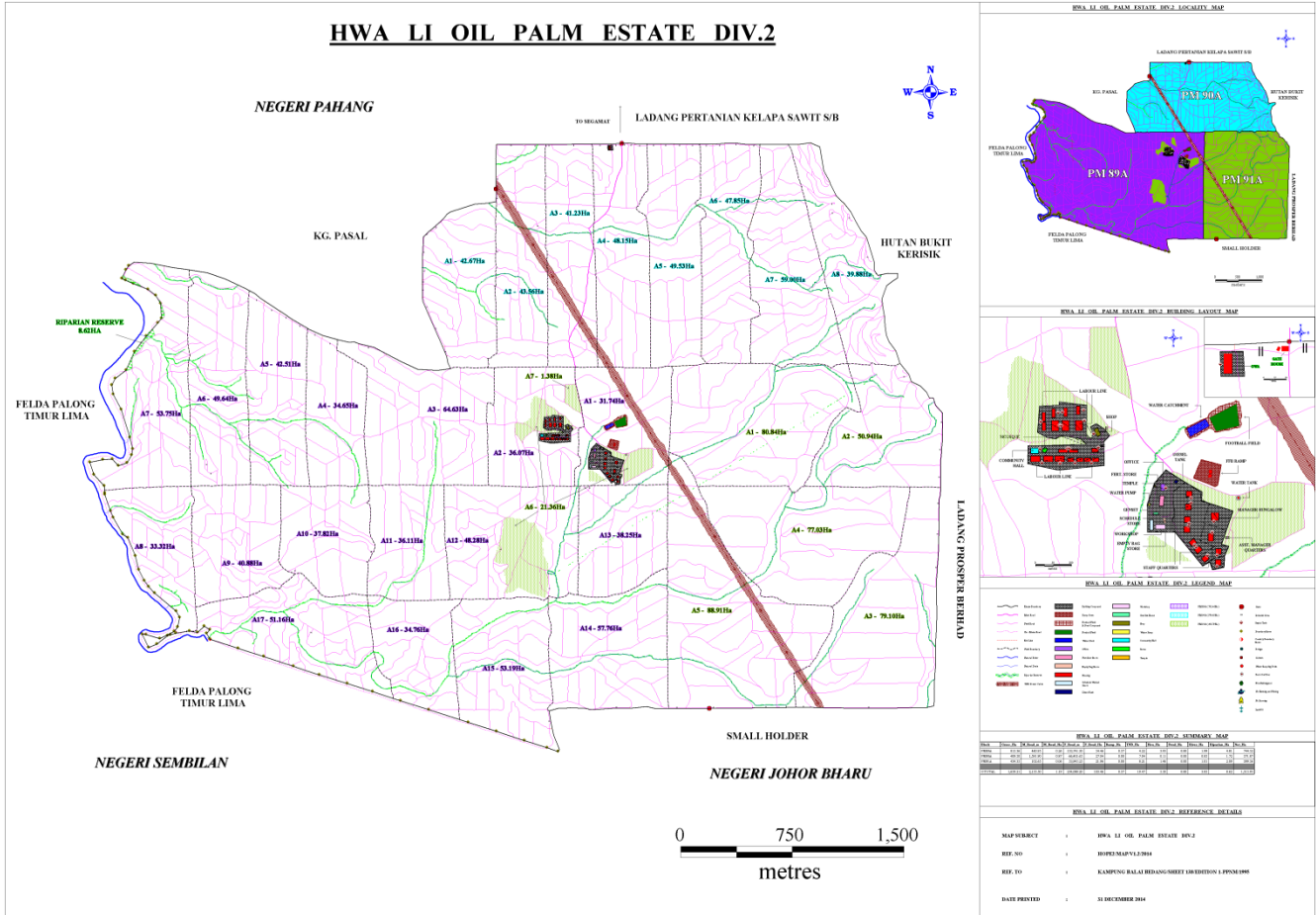
Location map of Carotino POM



Location map of supply bases

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Appendix I: Hwa Li Estate 2 Field Map



Appendix J: List of Smallholder Sampled

- Not applicable -

Appendix K: GHG Reporting Executive Summary

The GHG emissions that were produced in 2016 for Carotino Oil Mill and supply base was calculated using the GHG palm Calculator version 3.0. The assessment team had verified the data input in the GHGplam Calculator against operations records. Palm GHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in 2016 for Carotino Oil Mill mill and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.87
PKO	0.87

Extraction	%
OER	20.4
KER	5.02

Production	t/yr
FFB Process	122,027.33
CPO Produced	24,899.09
PKO Produced	6,128.89

Land Use	Ha
OP Planted Area	9009.88
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	305.95
Total	9,315.83

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	80,830.24	0.66	0	0	0	0	80,830.24	0.66
CO ₂ Emission from fertilizer	10,104.8	0.08	0	0	0	0	10,104.8	0.08
NO ₂ Emmision	6,978.48	0.06	0	0	0	0	6,978.48	0.06
Fuel Consumption	3,288.58	0.03	0	0	0	0	3,288.58	0.03
Peat Oxidation	0	0	0	0	0	0	0	0
Sink								
Crop Sequestration	-76,616.32	-0.63	0	0	0	0	-76,616.32	-8.5
Conservation Sequestration	-702.45	-0.01	0	0	0	0	-702.45	-0.08

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Total	23,883.33	0.2	0	0	0	0	23,883.33	0.2
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**Note: Includes both estates and smallholders*

Summary of Mill Emission and Credit

	tCO₂e	tCO₂e/tFFB
Emission		
POME	2,993.76	0.02
Fuel Consumption	153.53	0
Grid Electricity Utilisation	0	0
Credit		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	3,147.29	0.03

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO₂e
PK from own mill	5,339.3
PK from other source	0
Fuel Consumptions	0
Total Crusher emissions	5,339.3

*This mill has no kernel crusher operation.

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

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	25
Divert to methane captured (energy generation) (%)	75

Appendix L: List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
JTK	Jabatan Tenaga Kerja
KER	Kernel Extraction Rate
MPOA	Malaysian Palm Oil Association
MPOB	Malaysian Palm Oil Board
MPOM	Melewar Palm Oil Mill
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SHO	Safety and Health Officer
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
TBP	Time Bound Plan
WTP	Water Treatment Plant