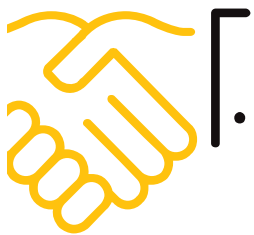


**LAM SOON CANNERY  
PRIVATE LIMITED  
DARA LAM SOON SDN BHD –  
DARA LAM SOON POM &  
ESTATES GROUPING**

**RSPO MEMBERSHIP NO: 2-0909-18-000-00  
MUADZAM SHAH, PAHANG, MALAYSIA**





# RECERTIFICATION AUDIT ON RSPO P&C CERTIFICATION

## PUBLIC SUMMARY REPORT

### LAM SOON CANNERY PRIVATE LIMITED

RSPO Membership No: 2-0909-18-000-00

UNIT OF CERTIFICATION

**Dara Lam Soon Sdn Bhd**

**Dara Lam Soon POM & Estates Grouping**

Muadzam Shah, Pahang, Malaysia

#### CERTIFICATE NO.

Initial Certification Date	18 May 2018
New Certification Date	18 May 2023
Expiry Date	17 May 2028

#### AUDIT TYPE

#### AUDIT DATES

Re-Certification Audit (RA-01)	07 – 09 March 2023
Annual Surveillance Audit (ASA-01)	–
Annual Surveillance Audit (ASA-02)	–
Annual Surveillance Audit (ASA-03)	–
Annual Surveillance Audit (ASA-04)	–
Re-Certification Audit (RA-02)	–

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## 1.0 SCOPE OF AUDIT

### 1.1 Introduction

The Recertification Audit was carried out on the Unit of Certification (UoC) – Dara Lam Soon POM & Estates Grouping of Dara Lam Soon Sdn Bhd, between 07<sup>th</sup> and 9<sup>th</sup> of March 2023. The purpose of the audit was to evaluate the compliance of the organization's mill and supply bases with the RSPO Principles and Criteria (2018) and Malaysian National Interpretation (2019).

Dara Lam Soon Sdn Bhd, incorporated in 1975, is a subsidiary of Lam Soon Cannery Private Limited, with its core business being oil palm plantation. The UoC or management unit of Dara Lam Soon POM & Estates Grouping, equivalent to the certification unit as defined in the RSPO Certification Systems Document, comprises a single palm oil mill and its supply bases, which are estates owned and/or managed by Dara Lam Soon Sdn Bhd. The palm oil mill, with a processing capacity of 30 metric tons of fresh fruit bunches (FFB) per hour, commenced operations in 1980.

### 1.2 Location (Address, GPS, and Map) of Palm Oil Mill and Estates

The Dara Lam Soon POM & Estates Grouping comprises a single palm oil mill, namely the Dara Lam Soon POM (DLSPOM), and an estate, both of which are specified in **Table 1** below, which also includes the corresponding addresses and GPS coordinates of the mill and estate. The location maps have been included in **Appendix C** for reference.

**Table 1: Address of Palm Oil Mill, Estate and GPS Location**

Name	Address	GPS Reference	
		Latitude	Longitude
Dara Lam Soon POM (Capacity: 30 MT/hour)	<u>Postal Address:</u> Locked Mail Bag No. 4, 26700 Muadzam Shah, Pahang, Malaysia  <u>Location Address:</u> KM 92 off Jalan Kuantan – Segamat, 26700 Muadzam Shah, Pahang, Malaysia	03° 09.421' N	103° 09.818' E
Ladang Sungei Merba	<u>Postal Address:</u> Ladang Sungei Merba, P.O. Box 4, 26700 Muadzam Shah, Pahang, Malaysia  <u>Location Address:</u> KM 92 off Jalan Kuantan – Segamat, 26700 Muadzam Shah, Pahang, Malaysia	03° 09.406' N	103° 09.696' E

**Table 1-1: Registered Name of Palm Oil Mill, Estates and MPOB License**

Name of Operating Unit (as per MPOB License)	MPOB License No.	Validity Period
Dara Lam Soon Palm Oil Mill Dara Lam Soon Sdn Bhd	500060504000	01-Dec-2022 – 30-Nov-2023
Ladang Sungei Merba Dara Lam Soon Sdn Bhd	501553002000	01-Apr-2023 – 31-Mar-2024



### 1.3 Description of Supply Base (FFB Sources)

The supply of Fresh Fruit Bunches (FFB) to Dara Lam Soon Palm Oil Mill (POM) is exclusively derived from Ladang Sungei Merba, which is fully owned by Dara Lam Soon Sdn Bhd. On-site verification conducted during the audit substantiated that no FFB is sourced from smallholders or outgrowers to the aforementioned POM.

Details of the planted hectareage for the FFB supply for Dara Lam Soon POM & Estates Grouping are as shown in **Table 2** below.

**Table 2: Estate Area Summary**

Name of Estate	Area Summary – Year 2022		Area Summary – Year 2021	
	Certified (Titled) Area (Ha.)	Total Planted Area (Ha.)	Certified (Titled) Area (Ha.)	Total Planted Area (Ha.)
Ladang Sungei Merba (North Estate)	2,331.00	2,257.00	2,331.00	2,257.00
Ladang Sungei Merba (South Estate)	1,889.00	1,842.00	1,889.00	1,842.00
<b>Total Hectareage:</b>	<b>4,220.00</b>	<b>4,099.00</b>	<b>4,220.00</b>	<b>4,099.00</b>
<b>Percentage:</b>	<b>100.00%</b>	<b>97.13%</b>	<b>100.00%</b>	<b>97.13%</b>

### 1.4 Summary of Plantings and Cycle

In 1975, the management of Dara Lam Soon Sdn Bhd obtained a lease for land owned by the Pahang State Government for 99 years, and subsequently initiated development activities on the same. By 1981, operations commenced on the Ladang Sungei Merba, which coincided with the first cycle of oil palm planting on the estate. Ladang Sungei Merba was fully developed prior to 2005 and is presently undergoing its 2<sup>nd</sup> Cycle of Planting for oil palms. The Age Profile of Planted Oil Palm is as shown in **Table 3**.

**Table 3: Age Profile of Planted Oil Palm (Year 2023)**

Estate Name	Year of Planting	Cycle of Planting	Mature OP (Ha.) [> 3 Years]	Immature OP (Ha.) [≤ 3 Years]	Total (Ha.) Planted
Ladang Sungei Merba (North Estate)	1997	2 <sup>nd</sup> Cycle	18.00	0.00	<b>18.00</b>
	1999	2 <sup>nd</sup> Cycle	219.00	0.00	<b>219.00</b>
	2000	2 <sup>nd</sup> Cycle	5.00	0.00	<b>5.00</b>
	2001	2 <sup>nd</sup> Cycle	213.00	0.00	<b>213.00</b>
	2002	2 <sup>nd</sup> Cycle	203.00	0.00	<b>203.00</b>
	2004	2 <sup>nd</sup> Cycle	380.00	0.00	<b>380.00</b>
	2005	2 <sup>nd</sup> Cycle	152.00	0.00	<b>152.00</b>
	2006	2 <sup>nd</sup> Cycle	9.00	0.00	<b>9.00</b>
	2007	2 <sup>nd</sup> Cycle	461.00	0.00	<b>461.00</b>
	2009	2 <sup>nd</sup> Cycle	597.00	0.00	<b>597.00</b>
	<b>Sub-Total (Ha.)</b>		<b>2,257.00</b>	<b>0.00</b>	<b>2,257.00</b>
Ladang Sungei Merba (South Estate)	2001	2 <sup>nd</sup> Cycle	248.00	0.00	<b>248.00</b>
	2002	2 <sup>nd</sup> Cycle	322.00	0.00	<b>322.00</b>
	2003	2 <sup>nd</sup> Cycle	198.00	0.00	<b>198.00</b>
	2004	2 <sup>nd</sup> Cycle	329.00	0.00	<b>329.00</b>
	2005	2 <sup>nd</sup> Cycle	636.00	0.00	<b>636.00</b>
	2007	2 <sup>nd</sup> Cycle	89.00	0.00	<b>89.00</b>
	2009	2 <sup>nd</sup> Cycle	7.00	0.00	<b>7.00</b>
	2015	2 <sup>nd</sup> Cycle	13.00	0.00	<b>13.00</b>
	<b>Sub-Total (Ha.)</b>		<b>1,842.00</b>	<b>0.00</b>	<b>1,842.00</b>
<b>Total (Ha.)</b>			<b>4,099.00</b>	<b>0.00</b>	<b>4,099.00</b>



### 1.5 Summary of Land Use, Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in the Dara Lam Soon POM & Estates Grouping during this audit is as per **Table 4** below:

**Table 4: Conservation and HCV Areas**

#	Statement of Land Use	Recertification Audit (Year: 2022) Hectarage (Ha.)	Surveillance Audit (ASA-04) (Year: 2021) Hectarage (Ha.)	CB Verification
<b>1</b>	<b>Oil Palm - Planted Area</b>	<b>4,099.00</b>	<b>4,099.00</b>	Verified on site
1-1	OP Mature (Production)	4,099.00	4,099.00	Verified on site
1-2	OP Immature (Non-Production)	0.00	0.00	Verified on site
1-3	OP Planted on Peat	0.00	0.00	Verified on site
<b>2</b>	<b>Other Crop such as Rubber etc.</b>	<b>0.00</b>	<b>0.00</b>	Verified on site
<b>3</b>	<b>Conservation Areas</b>	<b>14.00</b>	<b>14.00</b>	Verified on site
3-1	Conservation (forested)	0.00	0.00	Verified on site
3-2	Conservation (non-forested)	14.00	14.00	Verified on site
<i>Note: Conservation areas such as unplanted steep / hilly and swampy areas, buffer zones, riparian areas etc.</i>				
<b>4</b>	<b>HCV Areas</b>	<b>0.00</b>	<b>0.00</b>	Verified on site
4-1	HCV 1	0.00	0.00	Verified on site
4-2	HCV 2	0.00	0.00	Verified on site
4-3	HCV 3	0.00	0.00	Verified on site
4-4	HCV 4	0.00	0.00	Verified on site
4-5	HCV 5	0.00	0.00	Verified on site
4-6	HCV 6	0.00	0.00	Verified on site

Notes:

- (1) This Recertification Audit covered the overall land use for oil palm plantation areas, and the identified Conservation Areas including HCV areas marked out at the estates.
- (2) The above UoC is verified to be an established Oil Palm plantation whereby the estate was planted with Oil Palms.
- (3) There has been no with new planting or expansion in the entire certified (titled) plantation land areas.
- (4) There has been no significant change in the current sizes of the certified land areas in comparison with the previous year data.

### 1.6 Other Certifications Held and Use of RSPO Trademarks

Currently, the other certifications held by the Dara Lam Soon POM & Estates Grouping are MSPO Part 3, MSPO Part 4, and MSPO SCCS, which are still valid.

The RSPO's logo, trademarks and label are not being used by the UoC audited. The certification unit had agreed to adhere with the use of the RSPO Trademark, labels, and logos as per the latest "**RSPO Rules on Market Communications & Claims**" which was acknowledged through the signed Memorandum of Agreement valid for the duration of the 5-year certification cycle.

### 1.7 Organizational Information / Contact Person

	Dara Lam Soon Sdn Bhd Head Office	Dara Lam Soon POM & Estates Grouping
Name:	Mr. Abdul Hamid Bin Kimar	Mr. Hong Chat Chai
Designation:	Group Sustainability Manager	Mill Manager
Address:	Lam Soon Management Services Sdn Bhd, Level 3, Wisma DLS, No.6 Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam Selangor, Malaysia	Locked Mail Bag No. 4, 26700 Muadzam Shah, Pahang, Malaysia.
Tel. No.:	Office : +60 3-5569 3512 Mobile : +60 13-855 4356	Office : +60 9-452 5089 Mobile : +60 11-1076 0812
Fax. No.:		+60 9-452 5087
Email:	<a href="mailto:abdulhamid@lms.com.my">abdulhamid@lms.com.my</a>	<a href="mailto:dlspom2013@gmail.com">dlspom2013@gmail.com</a>



## 1.8 Tonnes Verified for Certification

1.8.1 The actual tonnages of FFB produced by Ladang Sungei Merba of Dara Lam Soon POM & Estates Grouping is as in **Table 5** below.

**Table 5: The Actual Tonnes of FFB Produced**

Name of Estate	FFB Produced (MT)		Processing Palm Oil Mill
	(Mar-22 – May-22)	(Jun-22 – Feb-23)	
Ladang Sungei Merba	21,639.93	84,226.10	Dara Lam Soon Palm Oil Mill
<b>Grand Total (MT):</b>	<b>21,639.93</b>	<b>84,226.10</b>	

1.8.2 The breakdown of all the suppliers and their tonnages of FFB supplied to the Dara Lam Soon Palm Oil Mill of the Dara Lam Soon POM & Estates Grouping based on the actual tonnages is as in **Table 6** below:

**Table 6: The Actual Tonnes of FFB Processed**

#	Estate /Supplier	FFB Processed (MT)		Main Processing POM	CB
		(Mar-22 – May-22)	(Jun-22 – Feb-23)		
<b>UoC (own estates) (under certification)</b>					
1	Ladang Sungei Merba	21,639.93	84,226.10	Dara Lam Soon Palm Oil Mill	INTERTEK
<b>(a) Sub-total by UOC estates FFB:</b>		<b>21,639.93</b>	<b>84,226.10</b>		
<b>External estates under Parent Group (RSPO-Certified):</b>					
-	-	-	-		
<b>(b) Sub-Total other certified estates FFB:</b>		<b>-</b>	<b>-</b>		
<b>External / Other Supplies (non-certified):</b>					
-	-	-	-		
<b>(c) Sub-total non-certified estates FFB:</b>		<b>-</b>	<b>-</b>		
<b>Grand Total (a) + (b) + (c):</b>		<b>21,639.93</b>	<b>84,226.10</b>		

1.8.3 Total annual volumes / tonnages of FFB supplied from the supply base to the Dara Lam Soon POM during the previous, current, and projected period are as follows:

**Table 7: Annual Tonnes of FFB**

Estate / Supplier	FFB Produced (Estimate)		FFB Produced (Actual)				FFB Produced (Projection)	
	Last Period (MT)	(%)	(Mar-22 – May-22) (MT)	(%)	(Jun-22 – Feb-22) (MT)	(%)	Jun-23 – May-24 (MT)	(%)
A) Grouping Estates (Under Certification)	118,000.00	100.00	21,639.93	100.00	84,226.10	100.00	106,700.00	100.00
B) External Suppliers (Certified)	-	-	-	-	-	-	-	-
C) External Suppliers: (Non-Certified)	-	-	-	-	-	-	-	-
<b>Total:</b>	<b>118,000.00</b>	<b>100.00</b>	<b>21,639.93</b>	<b>100.00</b>	<b>84,226.10</b>	<b>100.00</b>	<b>106,700.00</b>	<b>100.00</b>



1.8.4 The annual certified tonnages of CPO and PK production by the POM from the supply base / suppliers as verified during this current audit are detailed as shown in **Table 8** below:

**Table 8: Annual Certified Tonnages – FFB, CPO & PK**

POM	Production (Estimate)		Production (Actual)				Production (Projection)	
	Last Period (MT)		(Mar-22 – May-22) (MT)		(Jun-22 – Feb-22) (MT)		Jun-23 – May-24 (MT)	
<b>Total FFB Processed</b>	118,000.00		21,639.93		84,226.10		106,700.00	
<b>Total CPO Produced</b>	25,370.00	OER: 21.50%	5,071.74	OER: 23.44%	17,134.67	OER: 20.34%	22,950.00	OER: 21.50%
<b>Total PK Produced</b>	6,490.00	KER: 5.50%	1,560.45	KER: 7.21%	5,101.69	KER: 6.06%	5,850.00	KER: 5.50%
<b>SCCS Model for POM</b>	<b>Identity Preserved (IP)</b>		<b>Identity Preserved (IP)</b>		<b>Identity Preserved (IP)</b>		<b>Identity Preserved (IP)</b>	

Note: The POM has established and maintained procedures for the bookkeeping and monitoring requirements for the CPO at the mill. It is verified the POM has procedures for the "Identity Preserved (IP)" Model in accordance with the RSPO P&C MYNI (2019) requirements. Verified activities and checked items for the Supply Chain of the POM are reported in the audit finding, Criterion No 3.8 (Indicator 3.8.1 – 3.8.17).

1.8.5 Certified Products Volumes Traded – The Production data and traded volumes of certified products which was verified for current and next year's projection is detailed as per **Table 9** below:

**Table 9: Traded Volumes (Certified and Non-Certified) of CPO and PK**

Details As Per RSPO Certification System Document	CPO (MT)	PK (MT)
<b>Last Year's Certified Volume (RSPO Certified)</b>	<b>25,370.00</b>	<b>6,490.00</b>
A) Last Year's Actual Sold Volume (RSPO Certified) Current Palm Trace (PT) Period (Jun-22 – Feb-22)	14,934.03	4,766.06
B) Last Year's Actual Sold Volume (Other Schemes Certified) Current Palm Trace (PT) Period (Jun-22 – Feb-22)	0.00	0.00
C) Last Year's Actual Sold Volume (Conventional) Current Palm Trace (PT) Period (Jun-22 – Feb-22)	0.00	0.00
<b>Total of (A) + (B) + (C):</b>	<b>14,934.03</b>	<b>4,766.06</b>
<b>Projected for Next PT License Period (Jun-23 – May-24) Certified Volume (RSPO Certified)</b>	<b>22,950.00</b>	<b>5,850.00</b>
a) Last year's Actual Sold Volume (RSPO Certified) Previous Palm Trace (PT) Period (Mar-22 – May-22)	3,703.19	1,340.00
b) Last year's Actual Sold Volume (Other Schemes Certified) Previous Palm Trace (PT) Period (Mar-22 – May-22)	0.00	0.00
c) Last Year's Actual sold volume (Conventional) Previous Palm Trace (PT) Period (Mar-22 – May-22)	0.00	0.00

Note: During period of Mar-22 – May-22, verified that sold volume are not exceeded certified volume.





### 1.9 Time Bound Plan and Multiple Management Units

Lam Soon Cannery Private Limited has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 27 October 2007, with membership number 2-0909-18-000-00. The company operates two Management Units in Malaysia, namely Dara Lam Soon Sdn Bhd located in Muadzam Shah, Pahang, and Lam Soon Plantations Sdn Bhd in Lahad Datu, Sabah, both of which have been certified with the RSPO P&C Certificate. Dara Lam Soon Sdn Bhd was certified on 18-May-2018, while Lam Soon Plantations Sdn Bhd received its certification on 25-Aug-2017.

Intertek has reviewed the RSPO Complaints website and found no issues related to Lam Soon Cannery Private Limited, including its subsidiaries. The management of the company has confirmed that there are no immediate plans to acquire palm oil mills or plantations. As per Intertek's progress review conducted so far, Lam Soon Private Cannery Limited has achieved certification for all of its Management Units, thereby fulfilling the requirements specified in Criteria 5.5 of the RSPO Certification Systems for Principles & Criteria (November 2020) and is considered to have no uncertified management units. **Appendix D** provides additional information about the Time Bound Plan for these two Management Units.

### 1.10 Abbreviations Used

ACOP	Annual Communication of Progress	IUCN	International Union for Conservation of Nature
ASA	Annual Surveillance Assessments	JAS	Jabatan Alam Sekitar
BMP	Best Management Practices	JKKP	Jabatan Kesihatan dan Keselamatan Pekerjaan
BOD	Biochemical Oxygen Demand	JTK	Jabatan Tenaga Kerja
BOMBA	Fire Services Department	KER	Kernel Extraction Rate
CABI	Centre for Agriculture and Biosciences International	KPI	Key Performance Indicator
CB	Certification Body	LTA	Lost Time Accidents
CBAs	Collective Bargaining Agreements	MPOB	Malaysia Palm Oil Board
CHRA	Chemical Health & Risk Assessment	MPOCC	Malaysian Palm Oil Certification Council
CoC	Chain of Custody	MSPO	Malaysian Sustainable Palm Oil
CPO	Crude Palm Oil	MTCS	Malaysia Timber Certification Scheme
CSPO	Certified Sustainable Palm Oil	NC	Non-Compliance or Non-Conformance
CSPK	Certified Sustainable Palm Kernel	NGO	Non-Government Organization
DLSPOM	Dara Lam Soon Palm Oil Mill	OBS	Observation
DLW	Decent Living Wages	OER	Oil Extraction Rate
EFB	Empty Fruit Bunch	OHS	Occupational Health & Safety
EHS	Environmental Health & Safety	PEFC	Programme for the Endorsement of Forest Certification
EIA	Environmental Impact Assessment	PHP	Personal Hearing Protection
ETP	Effluent Treatment Plant	PK	Palm Kernel
FFB	Fresh Fruit Bunch	POM	Palm Oil Mill
FPIC	Free, Prior, and Informed	POME	Palm Oil Mill Effluent
FSC	Forest Stewardship Council	PPE	Personal Protective Equipment
GAP	Good Agriculture Practice	RaCP	Remediation and Compensation Procedure
GHG	Greenhouse Gases	RSPO	Roundtable on Sustainable Palm Oil
GLWC	Global Living Wage Coalition	RTE	Rare, Threatened or Endangered
HCS	High Carbon Stock	SCCS	Supply Chain Certification Standard
HCV	High Conservation Values	SDS	Safety Data Sheets
HRD	Human Rights Defenders	SEIA	Social and Environmental Impact Assessment
Intertek	Intertek Certification International Sdn Bhd	SIA	Social Impact Assessment
ILO	International Labour Organization	SOP	Standard Operating Procedures
IPM	Integrated Pest Management	ToC	Theory of Change
ISCC	International Sustainability & Carbon Certification	UN	United Nations
ISO	International Organization for Standardization	UOC	Unit of Certification



## 2.0 AUDIT PROCESS

### 2.1 Audit Methodology, Plan and Site Visits

Since **20 January 2023**, Intertek has initiated **public communications and notifications** and invited the relevant stakeholders before the audit to provide feedback and comments on their concern (if any) on the Dara Lam Soon POM & Estates Grouping of Lam Soon Cannery Private Limited, regarding the environmental, biodiversity, community development and other relevant issues.

Between 7<sup>th</sup> to 9<sup>th</sup> March 2023, Intertek's Audit Team conducted a Recertification Audit (RA-01), which involved auditing the single estate (Ladang Sungei Merba) and the palm oil mill (Dara Lam Soon Palm Oil Mill) for compliance against the RSPO Principles and Criteria (P&C 2018) and the Malaysian National Interpretation (MY-NI 2019). Given that there is only one estate in the Unit of Certification (UoC), there was no need for sampling, and this estate will be audited at each assessment.

During the audit, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectare development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Audit Team using the process approach auditing technique, covering the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment, and other requirements. Stakeholders' interviews were conducted during the audit, and feedback obtained as part of information and evidence gathering. (See **Section 2.5 – Process of Stakeholder Consultation**).

Dara Lam Soon Palm Oil Mill has also audited against the Identity Preserved (IP) Module requirements as specified in the **Supply Chain Requirements for Mills of the RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO P&C 2018)**. This part of the audit covered the verification of the implementation of documented procedures and availability of records to demonstrate compliance against all the elements for Identity Preserved (IP) requirements. These include documented procedure, purchasing and goods in, record keeping, sales and goods out, processing, monitoring, and traceability of the CSPO and CSPK quantities, training for staff and claims.

After completing the on-site audit, Intertek also evaluated conformity against the RSPO Certification System requirements for CB. The audit report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Reviewer/Panel and the External Peer Reviewer (only required for Initial/Recertification Audits) prior to the approval of this report and decision on continued certification by Intertek.

The details of the **Audit Plan** (actual) are provided in **Appendix B**.

**Details of the findings** and actions taken are provided in **Section 3.2** of this report.

### 2.2 Audit Programme

Operating Unit	RA-01 (Year: 2023)	ASA-01 (Year: 2024)	ASA-02 (Year: 2025)	ASA-03 (Year: 2026)	ASA-04 (Year: 2027)
Dara Lam Soon POM	√	√	√	√	√
Ladang Sungei Merba	√	√	√	√	√

### 2.3 Date of Next Scheduled Visit

The next scheduled visit will be the Annual Surveillance Audit (ASA-01) which will be carried out within a 12-month period after the acceptance of this report by RSPO.

### 2.4 Qualifications of the Lead Auditor and Audit Team

Competency details of the Lead Auditor and Audit Team are given in **Appendix A**.

### 2.5 Certification Body

Intertek Certification International Sdn Bhd is part of the Intertek Group, which is a **worldwide technical services organization** dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO P&C, RSPO SCC, ISCC, MSPO Part 2 (MS2530-2: 2013), MSPO Part 3 (MS2530-3: 2013), MSPO Part 4 (MS2530-4: 2013), MSPO SCC, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of Custody certifications in applicable industry sectors including the agricultural and forestry sectors.

Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide and is globally offering certification across a wide range of industries.



## 2.6 Process of Stakeholder Consultation

For Initial/Recertification Audit, stakeholder consultations began with notification of the upcoming audit through the websites of RSPO and Intertek. E-mails were sent to applicable stakeholders, including government agencies, NGOs, local communities, representatives of indigenous people (Orang Asal) and previous landowners/users.

E-mails and telephone enquiries were made prior to the actual audit, and stakeholder's response and feedback received were followed up accordingly.

For the Annual Surveillance Audit, stakeholder consultations began with notification of the upcoming audit through the websites of Intertek.

During the audit, stakeholders were interviewed, and their feedbacks were recorded. Among the stakeholders consulted at the site included workers, trade union leaders, women representatives, local community leaders, previous landowners/users (if any), goods and services suppliers and contractors.

Among the stakeholders consulted was the as follow:

List of Stakeholders Contacted	
<p><b>Internal Stakeholders</b></p> <ul style="list-style-type: none"> <li>▪ Workers' Committee Representative</li> <li>▪ Gender Committee Representative</li> <li>▪ Sprayers</li> <li>▪ Harvesters</li> <li>▪ Manurers</li> <li>▪ Mill Operators</li> </ul>	<p><b>Union/Contractors/Local Communities</b></p> <ul style="list-style-type: none"> <li>▪ Sasaran Perentas Sdn Bhd (Transporter)</li> <li>▪ Palmas Freight Sdn Bhd (Transporter)</li> <li>▪ Boeran Trading (Estate Contractor)</li> <li>▪ Indigenous peoples from Kg Terubing, Kg Padang and Kg Dungun</li> </ul>
<p><b>Government Departments</b></p> <ul style="list-style-type: none"> <li>▪ JTK Pekan District Branch.</li> </ul>	<p><b>NGO</b></p> <ul style="list-style-type: none"> <li>▪ No complaint by NGO. Therefore, NGO was not contacted during this audit.</li> </ul>

Issue	Description
1	<p><b>Workers' representatives (Ladang Sungei Merba and Dara Lam Soon Palm Oil Mill)</b></p> <p><b>Feedbacks:</b> The workers' representatives stated that most workers were expressed their satisfaction with the good relationship established between the management and them over the years. They noted that the management always ensures that their living conditions, especially facilities, are always in good condition. They also stated that every complaint and grievance, especially related to housing conditions, will be dealt with as best and as quickly as possible by the management.</p> <p><b>Management Responses:</b> No further issue</p> <p><b>Audit Team Comment:</b> No further issue</p>
2	<p><b>Han a/l Kereseng (Tok Batin of Kg Padang), Azmi a/l Khalid (Kampung Terubin representative), and Patung a/l Nyang (Kampung Padang representative)</b></p> <p><b>Feedback:</b> During the interviews, Han a/l Kereseng Tok Batin of Kg Padang, Azmi a/l Khalid representing Kampung Terubin, and Patung a/l Nyang representing Kampung Padang expressed their views on the relationship between the company and the Orang Asli communities. According to their statements, the rapport between the two entities is highly favorable. The company consistently provides employment opportunities to the Orang Asli communities, while also offering them avenues to voice their desires and requests. Furthermore, they affirm that their requests are consistently met by the company. Additionally, the company extends substantial assistance in terms of financial support and similar forms of aid. The interviewees express their collective aspiration for the continued preservation of this amicable relationship, emphasizing the importance of both parties' dedication towards this objective.</p> <p><b>Management Responses:</b> Noted on the comments.</p> <p><b>Audit Team Comments:</b> No further issue.</p>



3	<b>JTK Pekan District Branch.</b>
	<b>Feedbacks:</b> The company consistently engages in collaborative endeavors with the department, ensuring seamless cooperation across all areas.
	<b>Management Responses:</b> Noted on the comments.
	<b>Audit Team Comments:</b> No further issue.
4	<b>Contractors/Service Providers</b>
	<b>Feedbacks:</b> Contractors confirmed good business relationship with the POM and estate. Tender process was transparent, and terms of contracts are fair. They also mentioned that payment was made in timely manner according to agreed contract agreement. Complaint and grievance procedure were known, and their workers were provided with valid contract agreement, payslip and wages meets minimum wage, SOCSO and EPF contribution where necessary.
	<b>Management Responses:</b> Noted all the comments.
	<b>Audit Team Comments:</b> No further action.



### 3.0 AUDIT FINDINGS

#### 3.1 Summary of Findings

##### Principle 1: Behave Ethically and Transparently

- Drive ethical business behaviour, build trust and transparency with stakeholders to ensure strong and healthy relationships.

1.1 – The unit of certification provides adequate information to relevant stakeholders on environmental, social, and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. ToC Outcomes: Improved Risk Management		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
1.1.1 – (C) Documents that are specified in the RSPO P&C are made available to the public.	Dara Lam Soon POM & Estates Grouping has implemented procedures for responding to any communication as outlined in their Quality Management System documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records reviewed were correspondences with the authorities and employees. The UoC recognizes efforts to nurture long-term sustainability and commitment to the environment is reflected in very practices and policies which entails best practices, care for the environment and managing the social aspects. The UoC continued to use their website for disseminating public information. Information relating to land titles, policies, environmental, social and/or legal, complaints and grievances, which are available at <a href="https://lamssoonplantations.com.my">https://lamssoonplantations.com.my</a>	<b>Complied</b>
<ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 4.4);</li> </ul>	Land titles were only available upon justify reason.	<b>Complied</b>
<ul style="list-style-type: none"> <li>• Occupational health and safety plans (Criterion 3.6);</li> </ul>	Safety and Health Plans have been established and documented for each operating unit. The plan had been reviewed (annually) by the respective managers for the mill and estate. Verified from the plan that the effectiveness of the H&S plan to address health and safety risks to people is monitored. The programmes for protecting workers' health and safety were found to be satisfactorily implemented.	<b>Complied</b>
<ul style="list-style-type: none"> <li>• Plans and impact assessments relating to environmental and social impacts (Criterion 3.4);</li> </ul>	Environmental Impact Assessment for the POM and estate has been conducted and was reviewed, accordingly. Management Plan and Continual Improvement Plan documented and implemented. Positive and negative impacts identified. Action plans for the mitigation measures were documented and implemented. However, the estate has not provided with the comprehensive Environmental Impact Assessment document and was not sighted during the audit. (See <i>Indicator 3.4.2</i> )	<b>Complied</b>
<ul style="list-style-type: none"> <li>• HCV &amp; HCS documentation (Criterion 7.12);</li> </ul>	HCV assessment was conducted by internally in Sept-2017. No new land clearing conducted after 15 November 2018. The presence of HCV areas and other environmentally sensitive areas within and outside the UoC were identified. Maps showing the location of these areas in the relevant UoC were available. The Management Action Plans for these areas were implemented and monitored by the estate.	<b>Complied</b>



<ul style="list-style-type: none"> <li>• Pollution prevention and reduction plans (Criterion 7.10);</li> </ul>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done and identified in their EIA assessment. e.g., POME, diesel/fuel, chemicals, and fertilizers.</p> <p>Positive and negative impacts identified. Action plans were documented and implemented. Pollution Prevention Management Plans were reviewed together in the Environmental Impact Assessment for the POM and estates.</p> <p>Plan to reduce and minimise the emissions were implemented whereby regular testing and data collection being carried out in accordance with the requirement of the Department of Environment.</p> <p>Action items include mitigation measures for pollution control (smoke emission, POME/effluent discharge), pesticides reduction, scheduled wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/ domestic wastes disposal, reduction in the use of diesel and chemicals, reuse, and recycling (paper, plastic, glass, scrap iron).</p>	<p><b>Complied</b></p>
<ul style="list-style-type: none"> <li>• Details of complaints and grievances (Criterion 4.2);</li> </ul>	<p>Details of complaints can be found in the respective Complaints Books. Most the grievances received are from internal parties. Complaint Box was provided outside mill and estates' office as well as at worker's quarters with Grievances Form for recording. There were no complaints received from external stakeholders at the time of audit. The entries of Complaint Logbook found to be mainly complaints from employees with regards to house repairs. The status of each grievance has been satisfactorily addressed.</p>	<p><b>Complied</b></p>
<ul style="list-style-type: none"> <li>• Negotiation procedures (Criterion 4.6);</li> </ul>	<p>Dara Lam Soon POM &amp; Estates Grouping has established a documented procedure for participatory communication and negotiation. The procedure is available to all stakeholders.</p>	<p><b>Complied</b></p>
<ul style="list-style-type: none"> <li>• Continual improvement plans (Criterion 3.2);</li> </ul>	<p>Decision from the management review was compiled and used as basis for continual improvement plan and documented as Continuous Improvement Plan 2022/2023. The management had established and implemented continuous improvement plan. The plans were described detail in OSH Plan, Social Improvement plan, environmental improvement plan and budget for CAPEX.</p> <p>Action plans for continual improvement on social and environment impact and opportunities for improvement in operational performance have been specified and documented for the POM and respective estates. The action plans include measurable objectives/targets in order to determine the effectiveness of the outcomes.</p>	<p><b>Complied</b></p>
<ul style="list-style-type: none"> <li>• Public summary of certification audit report.</li> </ul>	<p>Public summary report was available upon request.</p>	<p><b>Complied</b></p>
<ul style="list-style-type: none"> <li>• Human Rights Policy (Criterion 4.1).</li> </ul>	<p>A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD) were mentioned in Human Rights Policy signed by Plantation Director dated 02-Jan-2020. This Policy is applicable throughout the entire organisation. The Policy states that the Company respect the fundamental human rights within the operations.</p>	<p><b>Complied</b></p>



<p>1.1.2 – Information is provided in appropriate languages and accessible to relevant stakeholders.</p>	<p>Information to relevant stakeholders is provided during internal and external stakeholder meetings. The briefing was given by the management representatives (Assistant Manager (HR), Estate Assistant Manager, Sustainability Manager, Estate Managers) in Bahasa Malaysia which is a language every stakeholder understands. The external stakeholder meeting was held for the Dara-Lam Soon POM and Sungai Merba Estate on 29-Sept-2022, attended by representatives from nearby school (SK Kota Perdana), Immigration Department (Kuantan Office), Pekan District Health Office, Forestry Department (Rompin District), neighbouring estates (Bebar Estate, PSK Estate, Jasa Unik), local communities (JPKK Kota Perdana, Kampung Simpai) and contractors (TCIM, Boeran), Police Department (Paloh Hinai Station).</p> <p>Apart from getting feedbacks from the stakeholders and discussing progress of previous feedbacks, the stakeholders were also provided with information on company policies, grievance mechanism, SOP related to stakeholder requests, Code of Business Conduct and Ethics, Whistleblowing Policy 2022, RSPO Independent Stakeholder Certification, RSPO MYNI 2021, etc.</p> <p>Internal stakeholder meetings were held at each individual unit. At Dara-Lam Soon POM and Sungai Merba Estate, the meetings conducted with internal stakeholders are:</p> <ul style="list-style-type: none"> <li>▪ Management Meeting with Joint Consultative Committee (Workers Representatives) for Sungai Merba Estate – latest on 25-Feb-2023</li> <li>▪ Management Meeting with Joint Consultative Committee (Workers Representatives) for Dara-Lam Soon POM – latest on 22-Dec-2022</li> <li>▪ Management Meeting with Orang Asli Contractors for Sungai Merba Estate – latest on 18-Feb-2022</li> <li>▪ Employee Housing Block Heads' Meeting – latest on 21-Oct-2022</li> </ul> <p>Among the information provided to internal stakeholders were:</p> <ul style="list-style-type: none"> <li>▪ Lam Soon Policies;</li> <li>▪ Briefing on Employment Contracts;</li> <li>▪ Grievance Procedures;</li> <li>▪ Human Rights;</li> <li>▪ Roles of The Gender Committee;</li> <li>▪ Joint Consultative Committee;</li> <li>▪ Various policies and guidelines such as Sustainability Statement</li> <li>▪ Guidelines for Handling Harassment at Workplace</li> <li>▪ Minimum Wages.</li> <li>▪ Employment Act amendment</li> <li>▪ Information on RSPO and MSPO certifications.</li> </ul> <p><b>Documents used for the dissemination of information should be updated to current period so as to ensure it is still in force and for uniform implementation. Thus, an Observation has been raised against this indicator.</b></p>	<p><b>OBS #</b> <b>20230309-O1</b> <b>(Observation)</b></p>
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<p>1.1.3 – (C) Records of requests for information and responses are maintained.</p>	<p>Dara-Lam Soon POM and Sungai Merba Estate were able to demonstrate that records of requests for information and responses were maintained, as sighted during the re-certification audit:</p> <ul style="list-style-type: none"> <li>▪ Dara-Lam Soon POM received a letter from Secretary of Masjid Jamek Kota Perdana on 24-Mar-2022 requesting for manpower and materials assistance to fixing the broken lights. A response was sent by Mill Manager dated 28-Mar-2022 confirming the assistance from the mill.</li> <li>▪ Sungai Merba Estate received a letter from Headmaster, SK Kota Perdana (Ref: SKKP.100-13/1/2 (36), dated 26-Aug-2022) requesting for excavator and truck assistance in conjunction with the National Day gotong-royong organised by SK Kota Perdana . A response was sent by Estate Manager dated 29-Aug-2022 confirming the excavator and truck assistance from Sungai Merba Estate.</li> <li>▪ Sungai Merba Estate supply treated water to Orang Asli Village (Kampung Terubin) with the frequency of 3 days once (17,600 liters per supply), based on meeting with JAKOA and Kampung Terubin representatives.</li> </ul>	<p><b>Complied</b></p>
<p>1.1.4 – (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p>	<p>Consultation and communication procedures are documented Consultation and Grievances Communication Procedure – Internal/External. This procedure was disclosed and explained to the stakeholders during stakeholder meetings. The latest external stakeholder meeting was held for the Sungai Merba Estate on 29-Sept-2022. The implementation of this procedures can be verified from minutes of meetings held with internal and external stakeholders where comments, questions and clarifications sought were answered. Sampled also were training record conducted on 09-Feb-2023 for Sungai Merba Estate and on 08-Feb-2023 for Dara-Lam Soon POM.</p>	<p><b>Complied</b></p>
<p>1.1.5 – There is a current list of contact and details of stakeholders and their nominated representatives.</p>	<p>Dara-Lam Soon POM and Sungai Merba Estate has established their stakeholders list, which verified during the audit that the stakeholders list have been duly updated on 06-Feb-2023. Each stakeholder list contains Government Department (Police Department, JPJ Department, MPOB, Immigration Department, Labour Department, Department of Wildlife and National Parks, Department of Environment, Department of Safety and Health, etc.), local communities (JKKK Kampung Kota Perdana, Kampung Simpai, Kampung Terubin), neighbouring estates (Boustead Bebar Estate, PSK Bukit Sumoh Estate, Fleet Properties Sdn Bhd, Jasa Unik Sdn Bhd, PSK rangkai Sempurna, JL Agro Farm, Simpai Estate), Bangladeshi Embassy, Indian Embassy, and Indonesian Consulates/High Commission. Also included are schools, canteen/shop operators, suppliers, contractors, etc. Details of the stakeholders include names of their nominated representatives, address, and contact numbers. Telephone calls made to randomly sampled stakeholders confirmed this.</p>	<p><b>Complied</b></p>





1.2 – The unit of certification commits to ethical conduct in all business operations and transactions. ToC Outcomes: Improved Risk Management		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
1.2.1 – A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.	<p>A Policy for ethical conduct is available under document known as Human Resources Policy and Procedures – Code of Conduct (HR-PP-CBC-001, Ver. 01, dated 15-Apr-2012). Among the contents of the Policy include the following:</p> <ul style="list-style-type: none"> <li>▪ Dealing fairly with customers, suppliers, contractors, competitors and other employees;</li> <li>▪ Avoid situations of conflict of interests between personal interest and interests of the Company;</li> <li>▪ Not to be influenced by receiving favours, and not to influence by giving favours;</li> <li>▪ Not to accept any kinds of bribes or kickbacks or other unlawful or unethical benefits.</li> </ul> <p>This Policy was briefed to external stakeholders (The latest external stakeholder meeting was held for the Sungai Merba Estate on 29-Sept-2022). For internal stakeholders, the briefings were done during various morning muster briefing and training session with all workforce. At Sungai Merba Estate, sighted training record on 10-Aug-2022 titled Induction Training for New Recruited Workers and at Dara-Lam Soon POM, sighted training record dated 08-Feb-2023 titled Company Policies Briefing. Verified from the training materials that Human Resources Policy and Procedures – Code of Conduct (HR-PP-CBC-001, Ver. 01, dated 15-Apr-2012) is part of the items discussed during the training conducted. Stakeholders interviewed (e.g., contractors such as transporters and service providers) confirmed their awareness and understanding of the Policy. They also confirmed that the Policy is being implemented in their business transactions.</p>	<b>Complied</b>
1.2.2 – A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.	<p>Dara Lam Soon POM &amp; Estates Grouping also has a COBC which has been developed to outline the standards of behaviour required by DLS vendors which includes expectation to uphold human rights. The COBC applies to all its suppliers, consultants, agents, contractors' /service providers who have direct dealings with the Lam Soon Group.</p> <p>All vendors will be required to declare their compliance to the COBC through the COBC declaration which includes a declaration to eradicate all forms of exploitation, including but not limited to modern day slavery and human trafficking.</p>	<b>Complied</b>



**Principle 2: Operate Legally and Respect Rights**

- Implement legal requirements as the basic principles of operation in any jurisdiction.

2.1 – There is compliance with all applicable local, national and ratified international laws and regulations. ToC Outcomes: Improved Risk Management		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
2.1.1 – (C) The unit of certification complies with applicable legal requirements.	<p>Based on observations during site visit and records reviewed, verified that all operating unit are complies with applicable legal requirements. The desktop study also showed there was no negative news related to violations of the law involving all operating units in this UoC. All operating units also did not receive any warning notices issued by Malaysian government authorities.</p> <p>As required by law, Dara Lam Soon POM &amp; Estates Grouping has acquired and renewed licenses and permits. The following licenses or permits were among the samples that were seen at the mill and estates:</p> <p><b><u>Dara Lam Soon Palm Oil Mill</u></b></p> <ul style="list-style-type: none"> <li>• MPOB License (License No. 500060504000) valid until 30-Nov-2023.</li> <li>• Palm Oil Mill Premises License by DOE (License No. 004151), valid until 30-Jun-2023</li> <li>• License for Private Installation by the Suruhanjaya Tenaga (License No. 2022/03200) valid until 16-Nov-2023</li> <li>• Fire Certificate: No. JBPM:PH/7/0274/2022, valid until 29-Mar-2023</li> <li>• Competent Persons: <ul style="list-style-type: none"> <li>▪ Certified Environmental Professional in the Treatment of Palm Oil Mill Effluent (Certificate No. CePPOME/00142), certified since 28-Aug-2019.</li> <li>▪ Certified Environmental Professional in Scheduled Waste Management (Certificate No. CePSWaM/04000), certified since 26-Aug-2020</li> <li>▪ Certified Environmental Professional in Scrubber Operation (Certificate No. CePSO/2215706), valid until 28-Jul-2023</li> <li>▪ Grade 1 Steam Engineer (Certificate No. 033/2021), certified since 12-Aug-2021</li> <li>▪ Grade One Engine Driver for Steam Boilers and Steam Engines (Certificate No. J49/79), certified since 19-Aug-1979</li> <li>▪ Authorised Entrant and Standby Person for Confined Space (Serial No. NW-ECRO-AE-R-1105-T), valid until 16-March-2023</li> <li>▪ Electrical Chargeman (Certificate No. PJ-T-4-B-0616-2015) for A4 Category, certified since 05-Aug-2015</li> <li>▪ Authorised Gas Tester/Entry Supervisor (Certificate No. HQ/20/AGTES/01/04808), valid until 05-Jul-2023</li> <li>▪ Canteen Operator (No. 0493/2022) have been vaccinated with Typhim Vi vaccine, valid until 10-Apr-2023</li> <li>▪ Water Treatment Plant Operator (No. G0157) have been vaccinated with Typhim Vi vaccine, valid until March-2023</li> </ul> </li> <li>• Calibration Report:</li> </ul>	<b>Complied</b>



	<ul style="list-style-type: none"> <li>▪ Sighted CF of machineries (sampled e.g., PH PMT 5786 (Steriliser): PMT-PH/22 49965, and PH PMT 765 (Daerator): PMT-PH/22 49968), and the CF are valid until 21-May-2023.</li> </ul> <p><b>Sungei Merba Estate</b></p> <ul style="list-style-type: none"> <li>• MPOB License (License No. 501553002000) valid until 31-Mar-2023.</li> <li>• Scheduled Controlled Goods Permit by Ministry of Domestic Trade and Living Costs (Permit Serial No. C002805) valid until 25-Jul-2024 for 18,000 litres of non-subsidize diesel for POM, 36,000 litres of non-subsidize diesel for estate, and 8,000 litres of non-subsidize petrol.</li> <li>• Scheduled Controlled Goods Permit by Ministry of Domestic Trade and Living Costs (Permit Serial No. C002895) valid until 03-Mar-2025 for 420 KG of Liquid Petroleum Gas.</li> <li>• License for Private Installation by the Suruhanjaya Tenaga (License No. 2022/02664) valid until 21-Sept-2023</li> <li>• Conditional Approval of Employment of Foreign Workers (Ref. No. KSM/100/2022/000196), valid until 07-Dec-2023.</li> </ul>	
<p>2.1.2 – A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p>	<p>Dara Lam Soon POM &amp; Estates Grouping has established and implemented a documented procedure for identifying, determining, reviewing, and updating applicable legal and other requirements. It included the listing of laws and regulations that were being monitored for changes. System for Tracking Changes, comprise of the following process:</p> <ul style="list-style-type: none"> <li>• Notification of changes from various sources of information</li> <li>• Monitoring for changes in the law</li> <li>• Clarification and review on the changes</li> <li>• Updating the legal register administered internally.</li> <li>• Notification to the operational units and/or the relevant person in charge</li> </ul> <p>Legal register covering the applicable local and international laws and regulations are available at the UoC, with latest revision on 03-Jan-2023 by HR Executive, to includes Employment (Amendment) Act 2022. To ensure that each license and permit is renewed within the stipulated period, each operating unit monitors them in a record, which is adequately maintained by the PIC of the UoC in accordance with ethical business practices.</p>	<p><b>Complied</b></p>
<p>2.1.3 – Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p>	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of agricultural crop of economic value. Locations of several boundary stones and markers were re-visited and verified to be within the perimeters of the estate land titled boundaries. On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates</p>	<p><b>Complied</b></p>



2.2 – All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements. ToC Outcomes: Improved Risk Management		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
2.2.1 – A list of contracted parties is maintained.	List of contracted parties are maintained in the respective stakeholder lists. The information includes name and addresses of contractors, their contact person and contact numbers.	<b>Complied</b>
2.2.2 – All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.	<p>The audit findings reveal that all contracts included in the sample contain a clause that obligates the contractors to comply with legal requirements. These legal requirements encompass a range of obligations, including but not limited to maintaining valid road taxes and insurance policies, ensuring that drivers possess valid driving licenses, and adhering to relevant laws such as the Malaysian Occupational, Safety and Health Act 1994 and Environmental Laws.</p> <p>Based on interviews, records review, and observation, it can be confirmed that the contractors are well-informed of and consistently comply with local, national, and international laws and regulations, as well as legal requirements such as obtaining valid passports, work permits, and identity cards for locals. The contractors also demonstrate compliance with employment-related laws, including the signing of employment contracts with their workers, payment of minimum wages, employment of workers aged 18 and above, and a zero-tolerance policy towards sexual harassment and contract substitution. Additionally, contractors provide insurance coverage to their workers as required by law.</p> <p>The audit has demonstrated and verified evidence of legal due diligence. This includes sampling due diligence for the contractors mentioned above and ensuring that all legal obligations have been met and documented appropriately.:</p> <p><u>Sungai Merba Estate:</u></p> <ol style="list-style-type: none"> <li>(1) Asing bin Ateng (Contract No. SE 009/2023) – Loose Fruits Collection, validation period of 01-Jan-2023 – 31-Dec-2023</li> <li>(2) Klinik Ikhwan &amp; Surgeri (Visiting Medical Officer), validation period of 01-Jan-2023 – 31-Dec-2023</li> </ol> <p><u>Dara-Lam Soon POM:</u></p> <ol style="list-style-type: none"> <li>(1) Boeran Sadimin (Contract No. DLSOM1438) – Cleaning and Upkeep Manager Bungalow, Assistant Managers Bungalows, Staffs Quarters, and Office Compound, validation period of 01-Jan-2023 – 31-Dec-2023</li> <li>(2) Palmas Freight Sdn Bhd – CPO Transporter, validation period of 01-Jan-2023 – 31-Dec-2023</li> <li>(3) Sasaran Perentas Sdn Bhd – CPO Transporter, validation period of 01-Jan-2023 – 31-Dec-2023</li> <li>(4) LAJ Kejuruteraan Sdn Bhd – Competent Electrical Engineer, validation period of 01-Jan-2023 – 31-Dec-2023</li> </ol> <p><b>The process of due diligence on engaged contractors could be further enhance as to ensure that they are</b></p>	<b>OBS # 20230309-O2 (Observation)</b>



	<b>meeting all the applicable legal and RSPO requirements. Thus, an Observation has been raised against this indicator.</b>	
2.2.3 – All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.	The audit has revealed that contracts in the sample with additional attachments of the Code of Business Conduct (COBC) include provisions that prohibit contractors and service providers from engaging in child, forced, and trafficked labour. To ensure compliance with these provisions, contractors are required to sign a statement of declaration acknowledging their awareness of and agreement to adhere to the COBC. The statement of declaration includes a confirmation that the document has been read, understood, and agreed to by the contractors, as well as its subcontractors (if any), with the mill and estate. Additionally, the audit team has observed the acknowledgement signature of contractors and subcontractors who have signed the statement of declaration, confirming their commitment to uphold the COBC provisions regarding child, forced, and trafficked labour.	<b>Complied</b>
<b>2.3 – All FFB supplies from outside the unit of certification are from legal sources.</b> ToC Outcomes: Improved Risk Management		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
2.3.1 – (C) For all directly sourced FFB, the mill requires: <ul style="list-style-type: none"> <li>Information on geo-location of FFB origins</li> <li>Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder</li> <li>One or more supporting documents for claims</li> <li>Valid MPOB license</li> </ul>	The source of fresh fruit bunches (FFB) supplied to the Dara Lam Soon Palm Oil Mill is the Sungei Merba Estate, which is owned by Lam Soon and listed in Table 1. The mill management has maintained all necessary documentation from the estate, including the MPOB License, land title, RSPO Certificate, and MSPO Certificate, as required by the relevant indicator. During the on-site verification conducted as part of the assessment, it was confirmed that there were no outgrowers, independent suppliers, or smallholders involved in the supply of FFB to the aforementioned palm oil mill. As a result, this particular indicator is not applicable to the unit of certification (UoC).	<b>Not Applicable</b>
2.3.2 – For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.	The source of fresh fruit bunches (FFB) supplied to the Dara Lam Soon Palm Oil Mill is the Sungei Merba Estate, which is owned by Lam Soon and listed in Table 1. The mill management has maintained all necessary documentation from the estate, including the MPOB License, land title, RSPO Certificate, and MSPO Certificate, as required by the relevant indicator. During the on-site verification conducted as part of the assessment, it was confirmed that there were no outgrowers, independent suppliers, or smallholders involved in the supply of FFB to the aforementioned palm oil mill. As a result, this particular indicator is not applicable to the unit of certification (UoC).	<b>Not Applicable</b>



**Principle 3: Optimise Productivity, Efficiency, Positive Impacts and Resilience**

- Implement plans, procedures, and systems for continuous improvement.

<b>3.1 – There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.</b>		
ToC Outcomes: Improved risk management; Productivity optimised		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
3.1.1 – (C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.	In accordance with the Group Financial Procedure and Guidelines, the annual business plan is readily available. The estates and mill use a similar format for their business plans, which take the form of an annual budget with a 4-year projection (2023-2027). These plans serve as guidance for the forthcoming year and future planning. The mill budget includes several components in its expenditure details, such as the total number of employees required at each station (manning level), FFB source and annual estimates, extraction ratios (OER and KER), mill processing, general overhead, and general charges. Similarly, the estate budget includes information such as the palm year of planting, age categories, and FFB production. The operating expenditure components of the estate budget include administration and labor overhead, harvesting and collection, field upkeep, transportation, road and bridges, and EVIT (running accounts for engines, vehicles, implements, and tractors).	<b>Complied</b>
3.1.2 – An annual replanting programme projected for a minimum of five years with yearly review, is available.	The group has implemented a replanting schedule spanning a 25-year cycle. Substantiated information confirms the active involvement of Sungei Merba Estate in the upcoming replanting program for the years 2025 (219 hectares), 2026 (255 hectares), and 2027 (295 hectares). An annual evaluation is carried out, and the final execution of the replanting activities remains contingent upon approval from the Plantation Director of Lam Soon.	<b>Complied</b>
3.1.3 – The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	On 24 February 2023, a Management Review Meeting was held for both the mill and estate. The meeting was chaired by the Plantation Director and attended by the Group Sustainability Manager and respective Operating Unit Managers. During the meeting, various Management Review Inputs were discussed, including the results of internal audits, customer feedback (internal/external), process performance and product conformity, status of preventive and corrective actions, and follow-up actions from management reviews. The Management Review Outputs, such as opportunities for improvement, any need for changes to the management system, and resource needs, were also covered. The attendees noted any follow-up actions that may be necessary. The minutes of the meeting were available for verification, and overall, the MRM was found to be effectively conducted.	<b>Complied</b>



<p><b>3.2 – The unit of certification regularly monitors and reviews their economic, social, and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.</b> ToC Outcomes: Improved risk management</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>3.2.1 – (C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p>	<p>The management of Dara Lam Soon has established and implemented a continuous improvement plan, which was updated on 05-Jan-2023. The plan details were described in the OSH Plan, Social Improvement Plan, Environmental Improvement Plan, and Budget for CAPEX. The following are the details of the plans:</p> <p><u>Sungei Merba Estate</u></p> <ul style="list-style-type: none"> <li>• Reducing the use of pesticides and herbicides</li> <li>• Encouraging optimization of the yield of the supply base</li> <li>• Improving transportation of FFB to the mill</li> <li>• Improving the loading of FFB and reducing dependence on foreign workers</li> <li>• Improving the provision of adequate and comfortable housing, accommodation, and facilities for workers</li> </ul> <p><u>Dara Lam Soon POM</u></p> <ul style="list-style-type: none"> <li>• Upgrading the double drum winch</li> <li>• Installing three units of horizontal scraper conveyor</li> <li>• Constructing a roof cover</li> <li>• Constructing staff and workers' housing</li> <li>• Replacing one unit of kernel silo</li> <li>• Replacing the depericarper system</li> <li>• Upgrading the boiler station, such as replacing MS water softener</li> <li>• Improving the effluent treatment plant.</li> </ul>	<p><b>Complied</b></p>
<p>3.2.2 – As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p>	<p>The management unit has submitted RSPO P&amp;C Metrics prior to the audit conducted and verified that the template that has been used are Version 2.1 (Updated June 2021), and all information filled-in the template are reflecting each operating unit of UoC.</p> <p>Annual Communication of Progress (ACOP) reporting for year 2022 of IOI Group has been submitted to RSPO ACOP Team. PalmGHG data for this UoC also has been submitted to CB prior to the audit conducted and approved after verified it onsite by CB using PalmGHG Version 4.</p>	<p><b>Complied</b></p>
<p><b>3.3 – Operating procedures are appropriately documented, consistently implemented and monitored.</b> ToC Outcomes: Improved risk management</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>3.3.1 – (C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p>	<p>The Sungei Merba Estate has adopted the manuals and documents as their standard operating procedures i.e., Oil Palm Agricultural Policy (with the latest edition dated March 2017, which pertains to the New Planting and Replanting of Oil Palm), and Safety Operating Procedure (which was updated in January 2022).</p> <p>These procedures cover a wide range of activities and operations, including chemical spillage, spraying, harvesting, fertilizer application, pruning, pest and disease control, weeding, road maintenance, integrated pest management, workshop, and more.</p>	<p><b>Complied</b></p>



	<p>POM has established and implemented Safe Operating Procedure (SOP) and Standard Operating Procedures (StOPs) for its operations. These procedures cover a range of operations including Receiving FFB, Loading Ramp, Steriliser, Threshing Station, Pressing station, Depericarper Station, Nut &amp; Kernel Station, Oil Room Station, Boiler Station, Engine Room Station, Laboratory, Water Treatment Plant, Shovel, Effluent Treatment Plant, Workshop, Biogas Plant, Mini Laboratory, Dewatering, Cleaning Tank.</p> <p>It is commendable that the relevant SOPs are displayed at various workstations for easy reference, ensuring that employees are aware of and comply with the established procedures. Having clear and well-implemented SOPs is critical to ensuring safe and sustainable operations, and it is commendable that Dara Lam Soon takes this seriously.</p>	
<p>3.3.2 – A mechanism to check consistent implementation of procedures is in place.</p>	<p>It was verified that the implementation of the SOPs was consistently carried out, and records of the implementation were maintained. The implementation was monitored through internal audits and operational activities such as daily, weekly, and monthly site inspections. Trained and competent personnel such as the Sustainability Team (for internal audits) and Site/Field Supervisors and experienced Mandores (for field operations) were responsible for the monitoring. Records of each operation were maintained by the staff concerned, and these records were regularly checked and verified by the Assistant Manager and the Manager. Additionally, estate and mill management conducted visits from top management and government agencies (mainly JTK, JKPP, and JTK) to ensure the consistent implementation of procedures.</p> <p>An Internal Audit for RSPO P&amp;C requirements was conducted from 10 – 13 January 2023 by the Group Sustainability Manager, and the audit summary indicated that three non-conformities were identified. The audit results were evaluated, and adequate corrective actions were taken on the non-conformities. The audit report was documented and made available during the audit and to the management for their review. The management reviewed the report during the Management Review Meeting.</p> <p>Overall, the mechanism to check consistent implementation of procedures at the Dara Lam Soon POM &amp; Estate Grouping was effectively implemented, and the audit findings were addressed through corrective actions.</p>	<p><b>Complied</b></p>
<p>3.3.3 – Records of monitoring and any actions taken are maintained and available.</p>	<p>During the audit, it was confirmed that records of monitoring and actions taken had been properly maintained for more than 12 months at both the mill and estates. Daily muster chits and briefing records were available at the POM and estates. Actual operational and field activities were verified during on-site inspections conducted at the POM and estates audited. It was also verified that the estates had maintained records of monitoring spraying, manuring, and harvesting operations, while the mill had maintained records of daily production reports, including FFB processed and ramp balance, throughput and starting and stopping time, and</p>	<p><b>Complied</b></p>





	<p>boiler monitoring sheet, as well as daily notification reports and daily supervision and walkabouts by supervisors and assistant managers.</p> <p>Moreover, reports of visits by top management and government agencies were also maintained by the estates and mill management accordingly. The minutes of the Management Review Meeting showed that the input from the internal audit findings was discussed to identify the effectiveness of the implementation of the RSPO P&amp;C requirements.</p> <p>Overall, the on-site audit confirmed that the records were satisfactorily maintained, indicating the good monitoring practices implemented by Dara Lam Soon POM &amp; Estate Grouping.</p>	
<p><b>3.4 – A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.</b></p> <p>ToC Outcomes: Improved risk management; Human rights upheld</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>3.4.1 – (C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder / outgrower scheme, is documented.</p>	<p>The implementation of novel techniques or practices within their operations has not yielded any changes to the social and environmental effects. The mill and estates' operations continue to exhibit consistent impacts on the social and environmental aspects. Furthermore, no new planting initiatives have been initiated across each estate of the UoC. Nonetheless, every operating unit has undertaken comprehensive evaluations of their social impacts through Social Impact Assessments (SIA) and assessed the environmental aspects and impacts through Environmental Aspect and Impacts Assessments (EAIA). Further information regarding the SIA and EAIA can be found in Indicator 3.4.2 provided below.</p>	<p><b>Complied</b></p>
<p>3.4.2 – For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.</p>	<p>A Social Impact Assessment for Dara Lam Soon Sdn Bhd was conducted by the Social Liaison Officer. The report, dated 01-Oct-2022, was verified during the audit. The report covers various aspects, including the external community and the estate, such as competition for land and the estate's Corporate Social Responsibility (CSR), as well as the internal community, such as housing, wild stray dogs, and sick leave.</p> <p>Dara Lam Soon POM and Estate has established a monitoring plan that includes an action plan for avoiding or mitigating negative impacts and promoting positive ones, as well as monitoring of identified impacts with consultations from relevant stakeholders. During the audit, there was evidence that the action plan for 2023 had been developed at all estates and mills, with consultation from affected parties. The plan was updated on 01-Mar-2023 and was documented with a timeline for each action and the person in charge.</p> <p>The Environmental Aspect and Impacts Assessment (EAIA) for the Dara Lam Soon POM &amp; Estates Grouping were reviewed and documented on 04-Jan-2023.</p> <p>The impact assessment was done by the mill and estate Environmental Liaison Officer.</p> <p>Environmental impacts on watercourses, soil, high conservation value areas, and other environmentally</p>	<p><b>Complied</b></p>



	<p>sensitive areas were thoroughly evaluated, and a management action plan was formulated and executed. The assessment documents encompassed the identification of various aspects and impacts resulting from the mill operation and estate field activities. These activities included effluent discharge, dust and smoke emissions, fertilization and spraying, transportation of fresh fruit bunches (FFB), waste and garbage disposal, as well as road construction, repair, and maintenance.</p> <p>The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as relevant conservation activities, proper demarcation of riparian zones that are applicable to the UoC.</p> <p>Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis.</p> <p>Records were made available during audit and found to be satisfactory documented. Visits to site confirmed it had been implemented satisfactorily.</p> <p>The review was conducted internally by personnel of the sustainability team and relevant operating unit. The assessment documents had included the identification of aspects from field and mill activities that includes, effluent discharge, POME, boiler ash, fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance.</p> <p>The assessment had also taken into consideration on issues raised through relevant stakeholders' consultations conducted.</p>	
<p>3.4.3 – (C) The social and environmental management and monitoring plan is implemented, reviewed, and updated regularly in a participatory way.</p>	<p>Evidence is available that all units' action plan were being updated on a yearly basis. Latest revision was done in 1/3/2023. Evidence is available that the reviews were done in a participatory way as evidenced from minutes of discussions, written feedbacks, and responses from both internal and external stakeholders.</p> <p>The review was conducted internally with the participation of stakeholders and local communities. The review was done based on feedback from stakeholders, during the stakeholders meeting. The consultations were recorded, documented and later the monitoring plans updated to current practices.</p> <p>The review on the environmental management and monitoring plan were done annually. The latest review was conducted in January 2023 for mill and estate. The plan was updated as necessary and documented.</p> <p>The review was conducted internally with the participation of stakeholders. The review was done based on feedback from stakeholders, mill, and estate personnel. The consultations were recorded, documented and later the monitoring plans updated to current practices.</p>	<p><b>Complied</b></p>



<b>3.5 – A system for managing human resources is in place.</b>		
ToC Outcomes: Improved risk management; Safe and decent work		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
3.5.1 – Employment procedures for recruitment, selection, hiring, promotion, retirement, and/or termination are documented and made available to the workers and their representatives, where applicable.	<p>Dara Lam Soon had established SOP for Recruitment (DLS/SOP-24 dated Jan 18). Procedures includes process recruitment requisition, receive application, interview, and selection, hiring approval, appointment of candidate. For locals, the procedures are in SOP on Hiring of Local workers (DLS/SOP-43, dated Jan 17 and DLS/SOP-44 dated Jan 17). The procedure details the hiring process (application form, screening, interview, requisition approval from HR Manager/ Estate Manager, medical check-up and issuance of letter of offer). This procedure was confirmed by a Mill Manager at the lam Soon POM and Lam Soon – Sungei Merba Estate and verified through the worker’s file. For foreign workers, the employment procedures are contained in Standard Operating Procedures.</p> <p>Promotions are available in the procedure, retainment, and termination. Employee has a copy of the Employee Handbook for Estate/Mill Executive Staff.</p> <p>The SOP on recruitment, selection, hiring, retirement, and termination has been formalized and implemented accordingly internally for each units.</p>	<b>Complied</b>
3.5.2 – Employment procedures are implemented, and records are maintained.	<p>There is evidence that the employment procedures for local and foreign workers enumerated are being implemented, and employment records are maintained. All local applications are preceded with a job application form, relevant qualifications and certificates, job interview, records of medical check-up, and the issuance of letter of job offer.</p>	<b>Complied</b>
<b>3.6 – An occupational health and safety (H&amp;S) plan is documented, effectively communicated, and implemented.</b>		
ToC Outcomes: Improved risk management; Safe and decent work		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
3.6.1 – (C) All operations are risk assessed to identify H&S issues. Mitigation plans, and procedures are documented and implemented.	<p>The company has implemented a Standard Operating Procedure (SOP) called Hazard Identification, Risk Assessment, and Control Determination (FGV/PUC/SOP-OSH/001, dated 01 Feb 2019). This SOP encompasses the identification and management of hazards arising from routine and non-routine activities in the workplace, including normal, abnormal, and emergency situations. It encompasses all work activities, machinery usage, employees, contract workers, visitors, project stakeholders, and individuals present on FGV premises.</p> <p>A comprehensive Risk Assessment (HIRARC) is conducted for all operations where health and safety are pertinent concerns. The objective is to identify significant hazards and implement appropriate control measures. Documented significant hazards include noise exposure, pesticide/chemical handling, accidents, fires, fuel spillage, working at heights, working in enclosed spaces, hot work, lightning, electrocution, and machinery-related risks. Control measures consist of personal protective equipment (PPE) usage, fire drill training, first aid training, and the implementation of a "permit to work system" for the mill.</p> <p>Chemical Hazard Risk Assessment (CHRA) was carried out for Sungei Merba Estate on 6 April 2021 by My Sheqa</p>	<b>Complied</b>



	Group Sdn Bhd (HQ/17/ASS/00/00002). The assessment report provided recommendations based on the findings. The Annual Audiometry Report for 2022 was conducted on 20/12/2022 by IFZ OSHMED (HQ/12/DOC/00/258). The report provided recommendations for nine operators. Additionally, a new case of hearing impairment led to the submission of JKKP 7 on 27/12/2022, as stated in the report.	
3.6.2 – (C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.	An Occupational Safety and Health (OSH) plan has been formulated and executed in accordance with the OSH Act and Factory & Machinery Act of 1967, ensuring compliance with relevant regulations. The OSH Policy is prominently displayed at significant areas within the mill and estate, with sufficient posters, regulations, and newsletters posted on notice boards. Workers interviewed exhibited a commendable level of awareness regarding occupational safety and health practices. Furthermore, programs aimed at safeguarding the health and safety of workers have been effectively implemented, meeting satisfactory standards.	<b>Complied</b>
<b>3.7 – All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.</b> ToC Outcomes: Improved risk management; Safe and decent work		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
3.7.1 – (C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account gender-specific needs, and which covers applicable aspects of the RSPO P&C, in a form they understand, and which includes assessments of training.	<p>The formal training program has been documented for implementation for year 2022 at the mill and estates. The training programmes were based on the training needs identified for various categories of all employees and contractors and their related work functions/ activities, RSPO requirements, Occupational Health &amp; Safety and Environmental matters, including gender-specific needs.</p> <p>Verified that trainings conducted had including the refresher training on all aspects of the RSPO Principles and Criteria, productivity, and best management practice subjects on estates operating procedures as well as procedural matters caring for Occupational Health &amp; Safety and Environmental, from felling of oil palm trees, nursery, replanting, harvesting and upkeep of fields to evacuation of FFB to mill. Likewise, at the mill it covers from FFB receipt, grading, processing to Crude Palm Oil, storage and dispatch of CPO, nut kernel and the management of by-products, wastes, and waste streams. which also include the checking, documentations for traceability for the certified FFB, CPO &amp; PK. POM Manager &amp; assistants fully understands the difference between IP or MB modules. In addition to the Good Mill / Agricultural Practice training, that is, Process stations / field SOP related to trade/job skills, the following topics, among others, were included in the 2022 annual training program:</p> <ul style="list-style-type: none"> <li>▪ OSH Act &amp; regulations 1994.</li> <li>▪ Environmental Quality Act 1974</li> <li>▪ Induction Program for new workers.</li> <li>▪ OSH Committee and function.</li> <li>▪ First Aid Training</li> <li>▪ Scheduled waste training</li> <li>▪ RSPO/MSPO Principles</li> <li>▪ HCV &amp; Biodiversity training.</li> </ul>	<b>Complied</b>



	<ul style="list-style-type: none"> <li>▪ Mechanical/electrical workshop</li> <li>▪ Environmental/safety &amp; health policy/ environmental responsibility,</li> <li>▪ Emergency Response drill</li> <li>▪ Social program, including sexual harassment for male and female employees, needs of new mother, etc.</li> </ul> <p>Evaluation of understanding was done, and this was confirmed during on-site interviews with the relevant POM and estates personnel.</p>	
<p>3.7.2 – Records of training are maintained.</p>	<p>Training records for each staff and workers, including new employees hired to date in year 2022/2023 on RSPO P&amp;C implementation were available for review.</p> <p>In each training record stated the name of the training, the date of the training, the name of the trainee, the list of employees trained, as well as a summary of the training. Sighted training records as per listed:</p> <p><u>Sungei Merba Estate</u></p> <ul style="list-style-type: none"> <li>• Training on Harvesting conducted on 15/2/2022</li> <li>• Training on manuring conducted on 15/3/2022</li> <li>• Training on RTE conducted on 26/2/2022</li> <li>• Training on First Aid Kit conducted on 19/3/2022</li> <li>• Training on grabber handling conducted on 12/4/2022</li> <li>• Training on tractor driver conducted on 28/5/2022</li> <li>• Training on environment conducted on 17/8/2022</li> <li>• BOMBA briefing conducted on 21/9/2022</li> <li>• Training on first aider conducted on 16/12/2022</li> </ul> <p><u>Dara Lam Soon POM</u></p> <ul style="list-style-type: none"> <li>• Training on Biogas Plan conducted on 17/2/2022</li> <li>• Training on Grading conducted on 4/7/2022</li> <li>• Training on Fire Drill conducted on 9/11/2022</li> <li>• Training on First aid kit conducted on 5/2/2022</li> <li>• Training on Boiler conducted on 8/8/2022</li> <li>• Training on loading ramp conducted on 19/10/2022</li> <li>• Training on triple rinsing conducted on 18/8/2022</li> <li>• Training on supply chain conducted on 14/7/2022</li> </ul> <p>Overall, records of trainings conducted were properly maintained by each operating unit.</p>	<p><b>Complied</b></p>
<p>3.7.3 – Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p>	<p>The POM management is ensuring that all personnel engaged in the implementation and maintenance of the RSPO SCCS are competent with relevant training, skill, and experience.</p> <p>Training on RSPO SCC was conducted on 31/1/2023 by Mill Manager, attended by Supply Chain Office, Traceability Officer, Social Liaison Officer, Environmental Liaison Officer, Lab Supervisor, Security, Grader, Chief Clerk, Office Clerk. During interviews with weighbridge clerks, and CPO Transporter representative confirmed that they understood the RSPO Supply Chain, which reflected the training was effectively conducted.</p> <p>The records for RSPO SCCS Trainings that has been conducted, such as training attendance record, training effectiveness record, training materials and individual training evaluation records were retained properly.</p>	<p><b>Complied</b></p>



## Supply Chain Requirements for Mills

3.8 – Supply Chain Requirements for Mills		
ToC Outcomes: Improved risk management		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>3.8.1 – (C) Identity Preserved Module A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.</p>	<p>The POM only processed FFB from its own supply base (see <b>Section 1.3</b>).</p> <p>It was verified that there were no sources of FFB from any outgrowers or independent suppliers / smallholders.</p> <p>Therefore, the CPO Mill continues to apply the Identity Preserved (IP) module as was in the previous year.</p>	<b>Not Applicable</b>
<p>3.8.2 – (C) Mass Balance Module A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>The supply base i.e., FFB sources to Dara Lam Soon POM are from the one (1) estate, which listed in Table 1. Verification done on site during the audit confirmed that there were no outgrowers, independent suppliers, and smallholders involved in the supply of FFB to the said POM. Thus, this indicator is not applicable to the UoC.</p>	<b>Complied</b>
<p>3.8.3 – (C) The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded and submitted by the POM. The data is verified during the current audit.</p> <p>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.</p> <p>The actual tonnage produced has been recorded in each annual surveillance report.</p>	<b>Complied</b>
<p>3.8.4 – (C) The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.</p>	<p>The POM meets 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>Dara Lam Soon POM will make the necessary transaction of RSPO certified CPO and PK in the RSPO IT Platform. During audit, all the transactions from the mill (CSPO/CSPK) were announce accordingly.</p> <p>Dara Lam Soon POM held RSPO membership number: 1-0012-04-000-00</p> <p>Company has registered in PalmTrace system as follows:</p>	<b>Complied</b>



	<ul style="list-style-type: none"> <li>▪ Member Name: Dara Lam Soon Sdn Bhd</li> <li>▪ Palm Trace Member ID: 2-0909-18-000-00 (Lam Soon Cannery Private limited)</li> <li>▪ Type of Business: Oil Mill</li> </ul>	
<p>3.8.5 – (C) Documented procedures The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all elements of the supply chain model requirements.</p> <p>b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</p> <p>c) Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill’s procedures for the implementation of this standard.</p> <p>d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.</p>	<p>The management has established a written procedure, i.e., RSPO/MSPO Supply Chain (dated 05-01-2023). The said procedure was sighted and found all elements of the RSPO Supply Chain standard were covered which included scope, responsibilities, reception, processing and storage, despatch (good out), record and retention, training, claims, overproduction, internal audit, management review, non-conforming product,</p> <p>The procedure was kept in file RSPO Supply Chain (SCC). Appropriate training for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS) has been conducted by the management to key personnel of the RSPO SCC implementation (including contractors).</p> <p>The RSPO Chairman has the overall responsibility and authority over the implementation of the supply chain requirements, as stated in the procedure. The manager has been assigned to ensure the implementation of supply chain procedure met the RSPO requirements. Interviewed with relevant person in-charge at critical control point was revealed they are understood on the RSPO standard requirements.</p> <p>Dara Lam Soon POM has implemented the procedure related to purchasing and Goods In RSPO: Supply Chain Standard for receiving and processing certified. No non-certified product has been received as this mill was an IP Mill.</p>	<b>Complied</b>
<p>3.8.6 – (C) Internal Audit</p> <p>i) The mill shall have a written procedure to conduct an annual internal audit to determine whether the mill:</p> <p>(a) conforms to the requirements in the RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.</p> <p>(b) effectively implements and maintains the standard requirements within its organisation</p> <p>ii) Any non-conformities found as part of the internal audit shall be issued and required corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports.</p>	<p>The SOP for Internal Audit Procedure, Rev: 01, dated July 2016) has clearly stated the requirement for internal audit need to be conducted relating to RSPO Supply Chain Certification Standard’s requirements and RSPO rules on market and communication and claims standard.</p> <p>The internal audit for SC was conducted on 10-13/1/2023 by Group Sustainability Manager. There was no non-conformity raised for supply chain element.</p> <p>Management Review Meeting was conducted on 24/2/2023. The meeting was chaired by Plantation Director and attended by GSM, Estate Managers, Mill Manager, and all respective unit representative. The meeting was discussed on The Result of The Internal and External Audit, Preventive and correction actions plan, Customer Feedback, changes affecting policy, recommendation for improvement any other business. The minutes of meeting was available for verification. The minutes of meeting was available for verification. Overall, the MRM conducted found to be effectively conducted.</p>	<b>Complied</b>



<p>3.8.7 – (C) Purchasing and Goods in</p> <p>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified volume.</p> <p>iii) The mill shall have a mechanism in place for handling of non-conforming FFB and/or documents</p>	<p>The supply base i.e., FFB sources to Dara Lam Soon POM was from one (1) estate owned by company, which listed in the Table 1.</p> <p>The Daily Production Report showed traceable figures of certified products from certified raw material sources. All incoming certified raw material is recorded by daily, monthly, and annual basis.</p> <p>Incoming raw material indicating name and address of the product origin, name, and address of the receiver; ticket number, delivery order no.; contract no.; date; quantity; transporter; type of product; Supply Chain model used - IP and RSPO certificate number.</p> <p>The documented procedure above specified the mechanism to notify CB in case of any projected overproduction of certified tonnage. Verification on-site confirmed that the relevant person-in-charge of supply chain aware of this procedure.</p> <p>When FFB delivered to the mill from the estates, the transporters presented Delivery Note (DN) to the mill weighbridge clerk in order the FFB to be received by the mill. e.g., of information available in the DN is as follows:</p> <p><u>Dara Lam Soon – Sungei Merba Estate</u></p> <ul style="list-style-type: none"> <li>▪ FFB Delivery Order No. SE123754</li> <li>▪ Date of Delivery: 28/2/2023</li> <li>▪ Weighbridge Ticket No.: FFB23002473W</li> <li>▪ RSPO Cert No.: RSPO-PC 00126</li> <li>▪ Net Weight: 3.33mt</li> </ul> <p><u>Dara Lam Soon – Sungei Merba Estate</u></p> <ul style="list-style-type: none"> <li>▪ FFB Delivery Order No. NE131668</li> <li>▪ Date of Delivery: 30/6/2022</li> <li>▪ Weighbridge Ticket No.: FFB22008720W</li> <li>▪ RSPO Cert No.: RSPO-PC 00126</li> <li>▪ Net Weight: 5.7mt</li> </ul> <p><u>Dara Lam Soon – Sungei Merba Estate</u></p> <ul style="list-style-type: none"> <li>▪ FFB Delivery Order No. SE121454</li> <li>▪ Date of Delivery: 28/11/2022</li> <li>▪ Weighbridge Ticket No.: FFB22017166W</li> <li>▪ RSPO Cert No.: RSPO-PC 00126</li> <li>▪ Net Weight: 6.15 mt</li> </ul> <p>The mechanism on handling of non-conforming FFB and/or documents are addressed in the procedure. However, no nonconforming FFB received by the mill since last audit.</p>	<p><b>Complied</b></p>
<p>3.8.8 – (C) Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <p>The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery</p>	<p>Dara Lam Soon POM ensured the required information is available in document form. The mill sold CPO and PK as RSPO certified with Identity Preserved Supply Chain Module. Sample the weighbridge ticket/dispatch note as below:</p> <p><u>CSPO</u></p> <p>a) The name and address of the buyer: Intercontinental Speciality Fats Sdn Bhd</p> <p>b) The name and address of the seller: Dara Lam Soon Mil</p> <p>c) The loading or shipment / delivery date: 26/2/2023</p>	<p><b>Complied</b></p>





<p>notes, shipping documents and specification documentation):</p> <p>a) The name and address of the buyer;</p> <p>b) The name and address of the seller;</p> <p>c) The loading or shipment / delivery date;</p> <p>d) The date on which the documents were issued;</p> <p>e) RSPO certificate number;</p> <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations);</p> <p>g) The quantity of the products delivered;</p> <p>h) Any related transport documentation;</p> <p>i) A unique identification number.</p>	<p>d) The date on which the documents were issued: 26/2/2023</p> <p>e) RSPO certificate number: RSPO-PC 00126</p> <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): CSPO/IP</p> <p>g) The quantity of the products delivered: 32.63mt</p> <p>h) Any related transport documentation: Mill Weighbridge Ticket No. CPO23000068W</p> <p>i) A unique identification number: RSPO PalmTrace Transaction ID No. TR-46e02c7a-d2a8 for CSPO (IP), contract no:5524, volume: 700mt, creation date: 6/3/2023</p> <p><u>CSPO</u></p> <p>a) The name and address of the buyer: Carotino Sendirian Berhad</p> <p>b) The name and address of the seller: Dara Lam Soon Mil</p> <p>c) The loading or shipment / delivery date: 21/2/2023</p> <p>d) The date on which the documents were issued: 21/2/2023</p> <p>e) RSPO certificate number: RSPO-PC 00126</p> <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): CSPO/IP</p> <p>g) The quantity of the products delivered: 39.73mt</p> <p>h) Any related transport documentation: Mill Weighbridge Ticket No. CPO23000065W</p> <p>i) A unique identification number: RSPO PalmTrace Transaction ID No. TR-72721308-d749 for CSPO (IP), contract no: 5525, volume: 300.86mt, creation date: 4/3/2023</p> <p><u>CSPO</u></p> <p>a) The name and address of the buyer: Carotino Sendirian Berhad</p> <p>b) The name and address of the seller: Dara Lam Soon Mil</p> <p>c) The loading or shipment / delivery date: 16/1/2023</p> <p>d) The date on which the documents were issued: 16/1/2023</p> <p>e) RSPO certificate number: RSPO-PC 00126</p> <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): CSPO/IP</p> <p>g) The quantity of the products delivered: 44.71mt</p> <p>h) Any related transport documentation: Mill Weighbridge Ticket No. CPO23000022W</p> <p>i) A unique identification number: RSPO PalmTrace Transaction ID No. TR-41b212df-8eee for CSPO (IP), contract no:5516, volume: 41.98mt, creation date: 27/1/2023</p> <p><u>CSPK</u></p> <p>a) The name and address of the buyer: Hup Lee Oil Mill Sdn Bhd</p> <p>b) The name and address of the seller: Dara Lam Soon Mill</p> <p>c) The loading or shipment / delivery date: 14/2/2023</p>	
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	<p>d) The date on which the documents were issued: 14/2/2023</p> <p>e) RSPO certificate number: RSPO-PC 00126</p> <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): CSPK/IP</p> <p>g) The quantity of the products delivered: 40.45 mt</p> <p>h) Any related transport documentation: Mill Weighbridge Ticket No. PK23000018W</p> <p>i) A unique identification number: RSPO PalmTrace Transaction ID No. TR-1eb0dde2-449b for CSPK (IP), contract no:5523, volume: 200mt, creation date: 20/2/2023</p> <p><u>CSPK</u></p> <p>a) The name and address of the buyer: Jin Lee Oil Mills Sdn Bhd</p> <p>b) The name and address of the seller: Dara Lam Soon Mill</p> <p>c) The loading or shipment / delivery date: 4/1/2023</p> <p>d) The date on which the documents were issued: 4/1/2023</p> <p>e) RSPO certificate number: RSPO-PC 00126</p> <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): CSPK/IP</p> <p>g) The quantity of the products delivered: 38.70mt</p> <p>h) Any related transport documentation: Mill Weighbridge Ticket No. PK23000002W</p> <p>i) A unique identification number: RSPO PalmTrace Transaction ID No. TR-57386d5d-24ec for CSPK (IP), contract no: 5514, volume: 234.55mt, creation date: 27/1/2023</p> <p><u>CSPK</u></p> <p>a) The name and address of the buyer: Jin Lee Oil Mills Sdn Bhd</p> <p>b) The name and address of the seller: Dara Lam Soon Mill</p> <p>c) The loading or shipment / delivery date: 28/2/2023</p> <p>d) The date on which the documents were issued: 28/2/2023</p> <p>e) RSPO certificate number: RSPO-PC 00126</p> <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): CSPK/IP</p> <p>g) The quantity of the products delivered: 41.40mt</p> <p>h) Any related transport documentation: Mill Weighbridge Ticket No. PK23000026W</p> <p>i) A unique identification number: RSPO PalmTrace Transaction ID No. TR-1eb0dde2-449b for CSPK (IP), contract no: 5523, volume: 200mt, creation date: 20/2/2023</p>	
<p>3.8.9 – (C) Outsourcing Activities</p> <p>(i) The mill shall not outsource its milling activities. In cases where the mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced</p>	<p>There was no outsourced activity at the mill except for CPO transportation, i.e., Palmas Freight Sdn Bhd (the agreement signed on 16-Nov-2020) and Sasaran Perentas Sdn Bhd (the agreement signed on 16-Nov-2020).</p> <p>There was also an addendum dated January 2023 stating that the transporter shall comply "to ensure that</p>	<p><b>Complied</b></p>



<p>activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification.</p> <p>(ii) The mill shall ensure the following:</p> <ul style="list-style-type: none"> <li>a) The mill has legal ownership of all input material to be included in outsourced processes</li> <li>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and all information, when this is announced in advance.</li> </ul>	<p>certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary".</p> <p>The documented control system with explicit procedures for the outsourced process was communicated during training conducted on 31/1/2023.</p> <p>The inspection was carried out as an additional effort to ensure no contamination sighted book at AP Post.</p>	
<p>3.8.10 – (C) The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.</p>	<p>The list of contracted parties is maintained by each unit in its respective stakeholder list. The lists contain name of contractors, designated contact persons, contact details (address, phone number, etc.), and type of contracted works done.</p>	<p><b>Complied</b></p>
<p>3.8.11 – (C) The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.</p>	<p>No new contractor used for the physical handling of RSPO certified oil palm products.</p>	<p><b>Complied</b></p>
<p>3.8.12 – (C) Record keeping</p> <ul style="list-style-type: none"> <li>i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.</li> <li>ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</li> </ul>	<p>The mill has kept the records up to date as per the requirement of RSPO P&amp;C (MY-NI 2019) under Supply Chain Requirements for Mills and sampled as per 3.8.7, 3.8.8, 3.8.12.</p> <p>The records are kept for a minimum of 2 years per the established procedure. The retention of accounting-related records, including contracts, invoices etc., had complied with the minimum of seven years as per the Annual Accounting report and Stock Inventory. It is verified that all retained records and reports comply with relevant legal and regulatory requirements, and the records can confirm the certified status of raw materials</p>	<p><b>Complied</b></p>



<p>iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p>iv) For Mass Balance Module, the mill:</p> <p>a) shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</p> <p>b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.).</p>	<p>or products held in stock. The mill has kept the records and balances all the receipts of receiving FFB and deliveries of RSPO-certified CPO and PK on a real-time basis. All records are held in the weighbridge office.</p> <p>The POM only processed FFB from its supply base. Therefore, it was verified that there were no sources of FFB from any out-growers or independent suppliers/smallholders. The estimated volume was provided by the UoC and included in the Public Summary Report. Traceability was verified for the Production Reports over the past 12 months from the related records (FFB Delivery Note, Weigh Ticket, FFB &amp; Truck Daily Summary, Production Report, CPO &amp; PK Storage Report, and CPO &amp; PK Delivery Orders. Transaction documents and bookkeeping of CPO and PK are done daily, and monthly summary reports of FFB receipt, FFB processed, CPO production, PK production and balance stocks are submitted to the Business Unit Office and Head Office. The weighbridge at the mill are duly calibrated, and calibration certificate was found to be in order. The POM had maintained a monthly summary of all receipts of FFB, production tonnage and dispatch of CPO and PK. Deduction and extraction rates for the volumes of CPO and PK delivered from the Palm Oil Mill have been appropriately done and recorded.</p>	
<p>3.8.13 – (C) Extraction Rate The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.</p>	<p>The estimated tonnage of CPO and PK for the period Mar 22 – Feb 23 was verified, and the figures are reported in the public summary report. The estimate refers to FFB received and process by mill within 12 months period. The percentage is also referring to mill performance and quality of the FFB within last 12 months.</p>	<b>Complied</b>
<p>3.8.14 – (C) Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.</p>	<p>As per the interview with Mill Manager, the mill will announce the percentage of OER and KER every day (morning) if there is a process carried out every day. Each month the mill will announce the average rate for OER and KER to the relevant parties. Sighted the summary report prepared by Mill Engineer.</p>	<b>Complied</b>
<p>3.8.15 – (C) Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.</p>	<p>It is verified that the CPO and PK were extracted from FFB produced from its own supply bases. Thus, the POM demonstrated the application of Identity Preserved Module. All the sampled records related to the movements of RSPO certified materials and products were found to be accurate, complete, up-to-date, and accessible. The mill will be using the continuous accounting system where monthly balance monitored in mass balance table.</p>	<b>Complied</b>
<p>3.8.16 – (C) Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to</p>	<p>The POM meets 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>	<b>Complied</b>



<p>refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p> <p>ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.</p>	<p>Dara Lam Soon POM will make the necessary transaction of RSPO certified CPO and PK in the RSPO IT Platform. During audit, all the transactions from the mill (CSPO/CSPK) were announce accordingly. Dara Lam Soon POM held RSPO membership number: 1-0012-04-000-00</p> <p>Company has registered in PalmTrace system as follows:</p> <ul style="list-style-type: none"> <li>▪ Member Name: Dara Lam Soon Sdn Bhd</li> <li>▪ Palm Trace Member ID: 2-0909-18-000-00 (Lam Soon Cannery Private limited)</li> <li>▪ Type of Business: Oil Mill</li> </ul> <p>The mill will make the necessary transaction of RSPO certified CPO and PK in the RSPO IT Platform. All the transactions from the mill (CSPO/CSPK) were announce accordingly. Sighted Shipping Announcement as below:</p> <ul style="list-style-type: none"> <li>▪ TR-46e02c7a-d2a8 for CSPO (IP), contract no:5524, volume: 700mt, creation date: 6/3/2023</li> <li>▪ TR-72721308-d749 for CSPO (IP), contract no: 5525, volume: 300.86mt, creation date: 4/3/2023</li> <li>▪ TR-41b212df-8eee for CSPO (IP), contract no:5516, volume: 41.98mt, creation date: 27/1/2023</li> <li>▪ TR-1eb0dde2-449b for CSPK (IP), contract no:5523, volume: 200mt, creation date: 20/2/2023</li> <li>▪ TR-57386d5d-24ec for CSPK (IP), contract no: 5514, volume: 234.55mt, creation date: 27/1/2023</li> <li>▪ TR-1eb0dde2-449b for CSPK (IP), contract no: 5523, volume: 200mt, creation date: 20/2/2023</li> </ul> <p>The volume for RSPO certified is monitored through the Continuous Account System and PalmTrace transaction ID. Records for the transactions made from the POM as sold to the next owner.</p>	
<p>3.8.17 – (C) Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	<p>As at to-date, there has been no evidence of any no incorrect or inappropriate claims made at this unit. Relevant information on product claims (including applicable Supply Chain model and certificate number) being correctly indicated in the relevant outgoing paperwork. Verified that the RSPO corporate logo, as well as the trademark logo, are not being used by the mill.</p>	<p><b>Complied</b></p>

**Principle 4: Respect Community and Human Rights and Deliver Benefits**

- Respect community rights, provide equal opportunities, maximise benefits from engagement and ensure remediation where needed.

<p><b>4.1 – The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.</b></p> <p>ToC Outcomes: Human rights upheld</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>4.1.1 – (C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, supply chain and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p>	<p>The Human Rights Policy, endorsed by the Plantation Director on 02-Jan-2020, highlights the organization's commitment to upholding human rights and explicitly prohibits any form of retaliation against Human Rights Defenders (HRD). This policy applies to the entire organization, encompassing all its operations. The Policy emphasizes the Company's dedication to respecting fundamental human rights.</p> <p>External stakeholders were made aware of the Policy during a socialization event held on 29-Sept-2022.</p>	<p><b>Complied</b></p>



	Additionally, internal stakeholders received briefings on the Policy, with workers at Sungai Merba Estate being briefed on 20-Oct-2022, and Dara-Lam Soon POM on 08-Feb-2023. These initiatives aimed to ensure that all stakeholders are informed and aligned with the Human Rights Policy.	
4.1.2 – The unit of certification does not instigate violence or use any form of harassment in their operations.	Following interviews conducted with various stakeholders, including local communities, neighboring estates, contractors, and suppliers, no evidence has emerged to suggest that Dara-Lam Soon POM and Sungai Merba Estate engage in violence or employ any form of harassment within their operations.	<b>Complied</b>
<b>4.2 – There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</b> ToC Outcomes: Human rights upheld		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
4.2.1 – (C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.	<p>This exists under Consultation and Grievances Communication Procedure – Internal/ External. Records reviewed contains no evidence of any disputes. However, workers’ grievances regarding housing conditions are being addressed in an effective, timely and appropriate manner. Sampled during the audit were the following grievances:</p> <p><u>Dara-Lam Soon POM:</u></p> <ul style="list-style-type: none"> <li>▪ Grievance dated 14-Jan-2023 (ceiling at kitchen area needs replacement) repair was carried out on 15-Jan-2023.</li> <li>▪ Grievance dated 04-Jan-2023 (kitchen door needs replacement), repair was carried out on 17-Jan-2023.</li> </ul> <p><u>Sungai Merba Estate:</u></p> <ul style="list-style-type: none"> <li>▪ Grievance dated 20-Oct-2022 (water tap), repair was carried out on 20-Oct-2022.</li> <li>▪ Grievance dated 22-Jul-2022 (road condition), repair was carried out on 25-Jul-2022.</li> </ul>	<b>Complied</b>
4.2.2 – Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.	<p>A comprehensive procedure has been implemented to ensure that affected parties fully comprehend the grievance procedures. The grievance procedure is prominently displayed on the main notice boards throughout Dara-Lam Soon POM and Sungai Merba Estate. Interviews conducted with workers and external stakeholders confirm their understanding of the procedure. In cases where illiterate individuals are involved, verbal briefings are provided, and translations are facilitated by worker representatives who serve as translators.</p> <p>Workers are informed that they can submit their grievances either through the Complaint Book or via the Joint Consultative Committee and Occupational Safety &amp; Health Committee. External stakeholders were informed about the grievance procedure during a socialization event held on 29-Sept-2022. Likewise, internal stakeholders, specifically workers, received briefings on the procedure on 20-Oct-2022 at Sungai Merba Estate and 08-Feb-2023 at Dara-Lam Soon POM to ensure their understanding and awareness of the process.</p>	<b>Complied</b>



<p>4.2.3 – The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.</p>	<p>During the audit, it was confirmed that no grievances were received from external parties. The reviewed complaint forms mainly consisted of complaints from workers regarding house defects. Based on the records assessed, Dara-Lam Soon POM and Sungai Merba Estate demonstrated their ability to inform the concerned parties about the progress of their grievances. Typically, these grievances were resolved on the same day or within 24 hours of being filed.</p> <p>In cases where repair works required additional time due to a lack of materials or manpower, the workers were duly notified about the delay. This was exemplified by a complainant at Sungai Merba Estate who reported a grievance regarding the replacement of a door and door frame on 21-Dec-2022. The delay in the replacement was attributed to a manpower shortage. The complainant confirmed being informed about the delay and the expected completion date, which was communicated as 05-Feb-2023.</p> <p>Hence, it can be demonstrated that Dara-Lam Soon POM and Sungai Merba Estate effectively keep the parties involved in a grievance informed about its progress, including adhering to agreed-upon timelines. Furthermore, the outcome of the grievance is made available and communicated to the relevant stakeholders.</p>	<p><b>Complied</b></p>
<p>4.2.4 – The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p>	<p>The management of Dara-Lam Soon POM &amp; Estate Grouping has established a document titled Consultation and Grievances Communication Procedure – Internal/ External as a documented system for dealing with complaints and grievances.</p> <p><b>However, the documented system did not include the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. Thus, Minor NC has been raised against this indicator.</b></p>	<p><b>NC # 20230309-N1 (Minor)</b></p>
<p><b>4.3 – The unit of certification contributes to local sustainable development as agreed by local communities.</b> ToC Outcomes: Human rights upheld</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>4.3.1 – Contributions to community development that are based on the results of consultation with local communities are demonstrated.</p>	<p>Dara Lam Soon POM &amp; Estates Grouping were able to demonstrate contributions to the local community. These were evident based on documentation review and consultation with the local communities. As verified, some of the contributions made were:</p> <ul style="list-style-type: none"> <li>• Contribution (cooking oil/rice) to PIBG of SK Kota Perdana for Mesyuarat Agung PIBG SK Kota Perdana Kali Ke 34</li> <li>• Donation of water tank to Kampung Orang Asli (Kampung Terubin)</li> <li>• Supply treated water 3 days once to Kampung Orang Asli (Kampung Terubin) – 18,700 litres per supply.</li> <li>• Donation of food basket to villagers that affected with COVID-19</li> <li>• Contribution of EFB and coconut seedlings to JKKK Kampung Kota Perdana</li> </ul>	<p><b>Complied</b></p>



	<ul style="list-style-type: none"> <li>Reward for student who excel in major exams (STPM, SPM)</li> <li>Upkeep works at Masjid Jamek Kota Perdana</li> </ul> <p>Local development needs have been identified in consultation with local communities during stakeholders meeting and training for stakeholder.</p>	
<p><b>4.4 – Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior, and informed consent.</b> ToC Outcomes: Human rights upheld</p>		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
<p>4.4.1 – (C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and the actual legal or customary use of the land are available.</p>	<p>Upon reviewing the provided document, it was verified that the land titles for Dara Lam Soon POM &amp; Estates Grouping were previously held by Teras Dara Konsortium. In 1975, the land was sold to Dara Lam Soon Sdn Bhd. The 10 land titles specify the lease period, ownership, and the purpose of the planting, which includes oil palm cultivation and agricultural crops for economic value. Dara Lam Soon POM &amp; Estates Grouping has consistently maintained and complied with the stipulations outlined in these land titles as listed below:</p> <ol style="list-style-type: none"> <li>Land Title No. H.S.(D): 288, 526.0905 hectares, lease for a period of 99 years (ends on 04-March-2075). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> <li>Land Title No. 337, 1,227 hectares, lease for a period of 99 years (ends on 09-Nov-2076). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> <li>Land Title No. 338, 217.90 hectares, lease for a period of 99 years (ends on 09-Nov-2076). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> <li>Land Title No. 339, 371.10 hectares, lease for a period of 99 years (ends on 09-Nov-2076). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> <li>Land Title No. 340, 209.90 hectares, lease for a period of 99 years (ends on 09-Nov-2076). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> <li>Land Title No. 341, 631.10 hectares, lease for a period of 99 years (ends on 09-Nov-2076). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> <li>Land Title No. 342, 557.20 hectares, leased for a period of 99 years (ends on 09-Nov-2076). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> <li>Land Title No. 343, 58.12 hectares, lease for a period of 99 years (ends on 29-Jan-2074). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> <li>Land Title No. 344, 233.80 hectares, lease for a period of 99 years (ends on 29-Jan-2074). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> <li>Land Title No. 345, 188 hectares, lease for a period of 99 years (ends on 09-Nov-2076). Record Ownership is Syarikat Dara-Lam Soon Sdn Bhd</li> </ol> <p>Furthermore, it was determined that there are no customary lands within Dara Lam Soon POM &amp; Estates Grouping, nor any lands that have been authorized by customary landowners through the process of Free, Prior, and Informed Consent (FPIC). This is because all lands</p>	<p><b>Complied</b></p>





	within Dara Lam Soon POM & Estates Grouping have been legitimately owned by Dara Lam Soon since 1975.	
<p>4.4.2 – Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:</p> <p>a. Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities’ and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making</p> <p>b. Evidence that the unit of certification has respected communities’ decisions to give or withhold their consent to the operation at the time that these decisions were taken</p> <p>c. Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification’s title, concession or lease on the land.</p>	<p>Furthermore, it was determined that there are no customary lands within Dara Lam Soon POM &amp; Estates Grouping, nor any lands that have been authorized by customary landowners through the process of Free, Prior, and Informed Consent (FPIC). This is because all lands within Dara Lam Soon POM &amp; Estates Grouping have been legitimately owned by Dara Lam Soon since 1975. The copy of grants was available for verification.</p>	<b>Complied</b>
<p>4.4.3 – (C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p>	<p>Furthermore, it was determined that there are no customary lands within Dara Lam Soon POM &amp; Estates Grouping, nor any lands that have been authorized by customary landowners through the process of Free, Prior, and Informed Consent (FPIC). This is because all lands within Dara Lam Soon POM &amp; Estates Grouping have been legitimately owned by Dara Lam Soon since 1975. The copy of grants was available for verification.</p>	<b>Complied</b>
<p>4.4.4 – All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p>	<p>Furthermore, it was determined that there are no customary lands within Dara Lam Soon POM &amp; Estates Grouping, nor any lands that have been authorized by customary landowners through the process of Free, Prior, and Informed Consent (FPIC). This is because all lands within Dara Lam Soon POM &amp; Estates Grouping have been legitimately owned by Dara Lam Soon since 1975. The copy of grants was available for verification.</p>	<b>Complied</b>
<p>4.4.5 – (C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.</p>	<p>Furthermore, it was determined that there are no customary lands within Dara Lam Soon POM &amp; Estates Grouping, nor any lands that have been authorized by customary landowners through the process of Free, Prior, and Informed Consent (FPIC). This is because all lands within Dara Lam Soon POM &amp; Estates Grouping have been legitimately owned by Dara Lam Soon since 1975. The copy of grants was available for verification.</p>	<b>Complied</b>



<p>4.4.6 – There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.</p>	<p>Furthermore, it was determined that there are no customary lands within Dara Lam Soon POM &amp; Estates Grouping, nor any lands that have been authorized by customary landowners through the process of Free, Prior, and Informed Consent (FPIC). This is because all lands within Dara Lam Soon POM &amp; Estates Grouping have been legitimately owned by Dara Lam Soon since 1975. The copy of grants was available for verification.</p>	<p><b>Complied</b></p>
<p><b>4.5 – No new plantings are established on local peoples’ land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</b> ToC Outcomes: Human rights upheld</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>4.5.1 – (C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.</p>	<p>Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within the Dara Lam Soon POM &amp; Estates Grouping. The existing estates are not encumbered by any legal, customary and user rights. It was evident that the land was legally purchased/leased. Therefore, community representation through institutions of their own choosing cannot be assessed.</p>	<p><b>Complied</b></p>
<p>4.5.2 – (C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities’ own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.</p>	<p>Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within the Dara Lam Soon POM &amp; Estates Grouping. The existing estates are not encumbered by any legal, customary and user rights. Therefore, FPIC is not necessary to be assessed.</p>	<p><b>Complied</b></p>
<p>4.5.3 – Evidence is available that affected local peoples understand they have the right to say ‘no’ to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p>	<p>Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within the Dara Lam Soon POM &amp; Estates Grouping. The existing estates are not encumbered by any legal, customary and user rights. Therefore, FPIC is not necessary to be assessed.</p>	<p><b>Complied</b></p>
<p>4.5.4 – To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p>	<p>Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within the Dara Lam Soon POM &amp; Estates Grouping. The existing estates are not encumbered by any legal, customary and user rights. Therefore, FPIC is not necessary to be assessed.</p>	<p><b>Complied</b></p>



4.5.5 – Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.	Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within the Dara Lam Soon POM & Estates Grouping. The existing estates are not encumbered by any legal, customary and user rights. Therefore, FPIC is not necessary to be assessed.	<b>Complied</b>
4.5.6 – Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.	Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within the Dara Lam Soon POM & Estates Grouping. The existing estates are not encumbered by any legal, customary and user rights. Therefore, FPIC is not necessary to be assessed.	<b>Complied</b>
4.5.7 – New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.	There is no evidence of any land acquired for plantations or mill after 15 November 2018 within Dara Lam Soon POM & Estates Grouping.	<b>Complied</b>
4.5.8 – (C) New lands are not acquired in areas inhabited by communities in voluntary isolation.	There is no evidence of any new lands acquired in areas inhabited by communities in voluntary isolation.	<b>Complied</b>
<b>4.6 – Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities, and other stakeholders to express their views through their own representative institutions.</b> ToC Outcomes: Human rights upheld		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
4.6.1 – (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.	Dara Lam Soon POM & Estates Grouping has implemented standard procedures to address social issues related to land, known as the "Land Dispute Compensation and Calculation Procedure" and the "Procedure for Calculating & Distributing Fair Compensation." These procedures outline a comprehensive process for determining and providing compensation in cases involving land disputes, ownership, and access to land. The procedures are designed to ensure that negotiations regarding compensation are conducted in a fair and transparent manner.  The procedures establish a documented system that enables indigenous peoples, local communities, and other stakeholders to express their perspectives through their representative institutions. This approach ensures that negotiations related to compensation for the loss of legal, customary, or user rights are conducted equitably. By adhering to these procedures, Dara Lam Soon POM & Estates Grouping aims to address social issues in a manner that respects the rights and concerns of all stakeholders involved.	<b>Complied</b>
4.6.2 – (C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective	The two procedures, namely the "Land Dispute Compensation and Calculation Procedure" and the "Procedure for Calculating & Distributing Fair Compensation," provide a comprehensive framework for the calculation and distribution of compensation in a participatory and fair manner. These procedures outline	<b>Complied</b>



<p>actions taken as a result of this evaluation.</p>	<p>the specific steps involved in the process and emphasize the consideration of factors such as ethnic group and gender differences.</p> <p>Additionally, flowcharts depicting the processes outlined in these procedures were observed. These flowcharts provide visual representations of the steps and stages involved in calculating and distributing compensation.</p> <p>On 29-Sept-2022, a meeting was conducted between Dara Lam Soon POM &amp; Estates Grouping and neighbouring smallholders and outgrowers. During this meeting, the procedures were thoroughly explained, ensuring that neighbouring smallholders and outgrowers were informed and aware of the compensation processes. Furthermore, any grievances or issues raised by the smallholders were recorded and addressed within the context of the procedures.</p> <p>By implementing these procedures and conducting meetings to provide explanations and record grievances, Dara Lam Soon POM &amp; Estates Grouping demonstrates its commitment to ensuring a transparent and inclusive approach to calculating and distributing compensation to smallholders.</p>	
<p>4.6.3 – Evidence is available that equal opportunities are provided to both men and women to hold land titles for small holdings.</p>	<p>There has been no evidence of negotiated agreements, compensation and payments made due to no land dispute reported at the Dara Lam Soon POM &amp; Estates Grouping at the time of audit. Therefore, this indicator is not applicable.</p>	<p><b>Complied</b></p>
<p>4.6.4 – The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.</p>	<p>There has been no evidence of negotiated agreements, compensation and payments made due to no land dispute reported at the Dara Lam Soon POM &amp; Estates Grouping at the time of audit. Therefore, this indicator is not applicable.</p>	<p><b>Complied</b></p>
<p><b>4.7 – Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</b> ToC Outcomes: Human rights upheld</p>		
<p><b>INDICATORS</b></p>	<p><b>FINDINGS AND OBJECTIVE EVIDENCE</b></p>	<p><b>COMPLIANCE</b></p>
<p>4.7.1 – (C) A mutually agreed procedure for identifying people entitled to compensation is in place.</p>	<p>Dara Lam Soon POM &amp; Estates Grouping has established standard procedures known as the "Land Dispute Compensation and Calculation Procedure" and the "Procedure for Calculating &amp; Distributing Fair Compensation" to address social issues related to land. These procedures outline the specific steps involved in assessing and providing compensation for any disputes or issues pertaining to land, ownership, and land access.</p> <p>The primary objective of these procedures is to ensure that negotiations regarding compensation are conducted in a fair and transparent manner. Specifically, the procedures aim to address compensation negotiations concerning the loss of legal, customary, or user rights. To facilitate this, a documented system is in place, which allows indigenous peoples, local communities, and other stakeholders to express their perspectives and views through their respective representative institutions.</p> <p>By implementing these procedures, Dara Lam Soon POM &amp; Estates Grouping strives to handle negotiations related to compensation in a systematic and inclusive manner,</p>	<p><b>Complied</b></p>



	considering the diverse interests and concerns of various stakeholders involved in the land-related issues.	
4.7.2 – (C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.	Based on interviews conducted with relevant stakeholders, including villagers, local communities, and neighboring estates, no issues related to compensation, whether monetary or otherwise, were reported or identified at Dara Lam Soon POM & Estates Grouping. The stakeholders provided no evidence of any land dispute or conflicts between Dara Lam Soon POM & Estates Grouping and the local communities. Furthermore, it was confirmed that no new planting activities have taken place at Dara Lam Soon POM & Estates Grouping. This suggests that there have been no recent changes or expansions in the cultivation of crops within the UoC. The absence of compensation issues and land disputes, as well as the lack of new planting activities, indicates a stable and harmonious relationship between the UoC and the local communities, contributing to a positive social and operational environment.	<b>Complied</b>
4.7.3 – Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.	There is no plantation expansion at the time of audit. Surrounding communities are benefitted from the plantation development in general such as better road conditions and access to other area, job opportunities, business prospects etc.	<b>Complied</b>
<b>4.8 – The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.</b> ToC Outcomes: Human rights upheld		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
4.8.1 – Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.	Based on desktop studies prior to the audit, documentation review, observations made, and interviews held with external stakeholders, local communities, and management team, it was verified that the UoC are not subjected to any legal, customary and user rights. There is no land dispute at the time of audit.	<b>Complied</b>
4.8.2 – (C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.	Based on desktop studies prior to the audit, documentation review, observations made, and interviews held with external stakeholders, local communities, and management team, it was verified that the UoC are not subjected to any legal, customary and user rights. There is no land conflict exist at the time of audit.	<b>Complied</b>
4.8.3 – Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4)	Based on desktop studies prior to the audit, documentation review, observations made, and interviews held with external stakeholders, local communities, and management team, it was verified that the UoC are not subjected to any legal, customary and user rights. There is no evidence of any acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations.	<b>Complied</b>



4.8.4 – For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).	Based on desktop studies prior to the audit, documentation review, observations made, and interviews held with external stakeholders, local communities, and management team, it was verified that the UoC are not subjected to any legal, customary and user rights. There is no evidence of any acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations.	<b>Complied</b>
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**Principle 5: Support Smallholder Inclusion**

- Include smallholders in RSPO supply chains and improve their livelihoods through fair and transparent partnerships.

<b>5.1 – The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</b> ToC Outcomes: Inclusive access to benefits		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
5.1.1 – Current and previous period prices paid for FFB are publicly available and accessible by smallholders.	The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production. It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs. Therefore, this indicator is not applicable to the UoC.	<b>Not Applicable</b>
5.1.2 – (C) Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders (at least once a year or upon request).	The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production. It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs. Therefore, this indicator is not applicable to the UoC.	<b>Not Applicable</b>
5.1.3 – (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.	The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production. It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs. Therefore, this indicator is not applicable to the UoC.	<b>Not Applicable</b>
5.1.4 – (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and	The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating	<b>Not Applicable</b>



<p>understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.</p>	<p>their adherence to sustainable practices in palm oil production. It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs. Therefore, this indicator is not applicable to the UoC.</p>	
<p>5.1.5 – Contracts are fair, legal, and transparent and have an agreed timeframe.</p>	<p>Evidence is available that the UoC deal fairly and transparently with its contractors. Sighted during the audit were contracts signed between: <u>Sungai Merba Estate:</u> (1) Asing bin Ateng (Contract No. SE 009/2023) – Loose Fruits Collection, validation period of 01-Jan-2023 – 31-Dec-2023 (2) Klinik Ikhwan &amp; Surgeri (Visiting Medical Officer), validation period of 01-Jan-2023 – 31-Dec-2023  <u>Dara-Lam Soon POM:</u> (1) Boeran Sadimin (Contract No. DLSOM1438) – Cleaning and Upkeep Manager Bungalow, Assistant Managers Bungalows, Staffs Quarters, and Office Compound, validation period of 01-Jan-2023 – 31-Dec-2023 (2) Palmas Freight Sdn Bhd – CPO Transporter, validation period of 01-Jan-2023 – 31-Dec-2023 (3) Sasaran Perentas Sdn Bhd – CPO Transporter, validation period of 01-Jan-2023 – 31-Dec-2023 (4) LAJ Kejuruteraan Sdn Bhd – Competent Electrical Engineer, validation period of 01-Jan-2023 – 31-Dec-2023  All the sampled contracts contain provisions related to contract duration, rights, and obligations of the parties. Interviews conducted with the contractors also confirmed that the contracts are fair, legal, transparent and have agreed time frame.</p>	<p><b>Complied</b></p>
<p>5.1.6 – (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions, and amount paid are given.</p>	<p>Evidence was available that agreed payments were made in a timely manner accompanied by purchase orders, invoices, and payment vouchers.  <u>Dara-Lam Soon POM:</u></p> <ul style="list-style-type: none"> <li>▪ Boeran Sadimin (Upkeep Works) Invoice No. B 141 dated 31-Jan-2023, Bank Payment Voucher No. BV23020050 dated 13-Feb-2023 (verified that the payment was made on timely manner).</li> <li>▪ Palmas Freight Sdn Bhd (CPO Transporter) Invoice No. CPO-001/23-01&amp;02 dated 31-Jan-2023, Bank Payment Voucher No. BV23020030 dated 24-Feb-2023 (verified that the payment was made on timely manner).</li> <li>▪ Sasaran Perentas Sdn Bhd (CPO Transporter) Invoice No. 00002875 dated 31-Jan-2023, Bank Payment Voucher No. BV23020031 dated 24-Feb-2023 (verified that the payment was made on timely manner).</li> <li>▪ LAJ Kejuruteraan Sdn Bhd (Competent Electrical Engineer)</li> </ul>	<p><b>Complied</b></p>



	<p>Invoice No. 22110104 dated 10-Nov-2022, Bank Payment Voucher No. BV23010025 dated 06-Jan-2023 (verified that the payment was made on timely manner).</p> <p><u>Sungai Merba Estate:</u></p> <ul style="list-style-type: none"> <li>▪ Klinik Ikhwan &amp; Surgeri (Visiting Medical Officer) Invoice No. DLS-06202301 dated 05-Feb-2023, Bank Payment Voucher No. BV23020074 dated 10-Feb-2023 (verified that the payment was made on timely manner).</li> <li>▪ Asing bin Ateng (Loose Fruits Collection) Work Completion Certificate No. 34303 dated 28-Feb-2023, Bank Payment Voucher No. BV23030026 dated 06-Mar-2023 (verified that the payment was made on timely manner).</li> </ul>	
5.1.7 – Weighing equipment is verified by an independent third party on a regular basis (this can be government).	Verified that there is one (1) weighbridge available at the Dara Lam Soon POM, and none (0) weighbridge available at the Sungei Merba Estate. The weighbridge has been calibrated on annual basis by weighing and measuring equipment verification service provider which was appointed by the Federal Government of Malaysia through Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) under Akta Timbang dan Sukat 1972. Evident the Borang D and Calibration Report for the weighbridge during the audit.	<b>Complied</b>
5.1.8 – The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.	<p>The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production.</p> <p>It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs.</p> <p>Therefore, this indicator is not applicable to the UoC.</p>	<b>Not Applicable</b>
5.1.9 – (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.	<p>The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production.</p> <p>It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs.</p> <p>Therefore, this indicator is not applicable to the UoC.</p>	<b>Not Applicable</b>
<p><b>5.2 – The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.</b></p> <p>ToC Outcomes: Inclusive access to benefits</p>		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
5.2.1 – The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to	The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the	<b>Not Applicable</b>





<p>assess their needs for support to improve their livelihoods and their interest in RSPO certification.</p>	<p>Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production.</p> <p>It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs.</p> <p>Therefore, this indicator is not applicable to the UoC.</p>	
<p>5.2.2 – The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS).</p>	<p>The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production.</p> <p>It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs.</p> <p>Therefore, this indicator is not applicable to the UoC.</p>	<p><b>Not Applicable</b></p>
<p>5.2.3 – Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.</p>	<p>The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production.</p> <p>It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs.</p> <p>Therefore, this indicator is not applicable to the UoC.</p>	<p><b>Not Applicable</b></p>
<p>5.2.4 – (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling.</p>	<p>The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production.</p> <p>It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs.</p> <p>Therefore, this indicator is not applicable to the UoC.</p>	<p><b>Not Applicable</b></p>
<p>5.2.5 – The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.</p>	<p>The Fresh Fruit Bunches (FFBs) supplied to the Dara Lam Soon POM was sourced exclusively from the Sungei Merba Estate, which is owned by Dara Lam Soon Sdn Bhd. Sungei Merba Estate have obtained certification from the Roundtable on Sustainable Palm Oil (RSPO), indicating their adherence to sustainable practices in palm oil production.</p> <p>It was verified that no third-party FFBs were delivered to the mill. Consequently, there were no contractual arrangements involving smallholders for the supply of FFBs.</p> <p>Therefore, this indicator is not applicable to the UoC.</p>	<p><b>Not Applicable</b></p>



**Principle 6: Respect Workers' Rights and Conditions**

- Protect workers' rights and ensure safe and decent working conditions.

<b>6.1 – Any form of discrimination is prohibited.</b>		
ToC Outcomes: Human rights upheld; Safe and decent work		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
<p>6.1.1 – (C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.</p>	<p>Lam Soon Plantations Sustainability Statement was signed on 01-Sept-2022 by the Plantation Director.</p> <p>Lam Soon Plantations Sustainability Statement states:</p> <ul style="list-style-type: none"> <li>• Clause 4: There shall be equal opportunity for promotion for all based on merit and management sole discretion without any discrimination.</li> <li>• Clause 8: We are committed to no discrimination at workplace regardless of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation, or age.</li> <li>• Clause 9: We uphold the right of employee to form association and collective bargaining to represent them in dealing with employer with regards to work related issues or social issues.</li> <li>• Clause 10: We are committed to carry out our recruitment process responsibly in accordance with local laws and regulations. We provide equal employment opportunity for all without any discrimination.</li> <li>• Clause 11: All workers will be treated the same as permanent workers in-terms of wages, benefits, and accommodations.</li> </ul> <p>The purpose of these policies is to ensure that workers of Lam Soon are recruited and provided an environment which is free from unlawful discrimination, harassment, or victimization and that Lam Soon is implementing the Group's commitment to equal opportunities, freedom of association and collective bargaining at all times.</p> <p>These Policies are available and displayed at the main notice boards and can be downloaded from the Lam Soon Plantations website (<a href="https://www.lamsoonplantations.com.my">https://www.lamsoonplantations.com.my</a>).</p> <p>Meeting, briefing, and training on social, safety or environment are conducted to their relevant stakeholders for them to understand and implement.</p> <p>This was further confirmed during interview with relevant stakeholders that they have not experienced any form of discrimination of any kind. They receive equal opportunities to enjoy equal terms of employment, pay, medical, housing, and other benefits such as use of amenities provided by the Company.</p>	<p><b>Complied</b></p>
<p>6.1.2 – (C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers.</p>	<p>Evidence is available that there has been no form of discrimination against any employee, or group of employees. Review of payslips and employment contracts confirmed that all workers irrespective of nationalities, gender, religion, etc, are accorded the same terms of employment, pay, benefits and living standards. Company provides all the related mandated applicable social benefits to all its local and foreign workers, for example Employee Provident Fund (EPF), Social Security Organization (Socso), Employment Insurance System</p>	<p><b>Complied</b></p>



	<p>(EIS), Annual Leave, Public Holidays &amp; Statutory Holidays, Medical Leave and Maternity Leave. Deduction (where applicable), for example, EPF, Socso, EIS, Taxes were made as per Employment Act 1955 (Act 265). This was further verified through interviews.</p> <p>Auditor has verified agreement between Dara Lam Soon and Impact Travel Consultants to supply Indian workers. The agreement is dated 19/5/2022. Due to the implementation of zero hiring cost policy, the employer shall reimburse all the costs with total amount RM2,075.00 to the worker which paid by them in their home country as below:</p> <ol style="list-style-type: none"> <li>1. Medical check-up (Fomerma/Bestinet) – RM330</li> <li>2. Visa stamping (VDR) – RM413</li> <li>3. Immigration clearance – RM220</li> <li>4. Pre departure orientation training/insurance – RM275</li> <li>5. Lodging (3 days) airport drop (Chennai) – RM250</li> <li>6. RT/PCR (if applicable) – RM91</li> <li>7. Air ticket (Chennai to KL) – RM496</li> </ol> <p>Based on interview with female workers and local communities, they confirmed they are received fair treatment from the company and no form of discrimination.</p> <p>Up to date, no complaint against the Dara Lam Soon mill and estate on issues relating to discrimination.</p>	
<p>6.1.3 – The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p>	<p>Based on documentation review and interviews conducted with management of Dara Lam Soon mill and estate, recruitment selection, hiring, access to training and promotion are based on workers’ skills, capabilities, qualities, and medical fitness necessary for the job. Employees’ evaluation will be conducted by Manager and Assistant Manager for hiring, promotions, increment, confirmation, and training based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. These documents are contained in the workers’ personal files.</p>	<p><b>Complied</b></p>
<p>6.1.4 – Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p>	<p>Lam Soon Plantations Women Reproductive Rights Policy dated 02-Jan-2020 states Lam Soon respects women reproductive rights. Women are assessed for their needs to breastfeed; and to be given specific break times to enable effective breastfeeding.</p> <p>As of the date of the audit, there is no pregnant worker at each operating unit. As confirmed by the worker during the interview, there is no evidence that pregnancy testing was carried out in a discriminatory manner. The pregnancy test was done on her own free will. During the interview it was confirmed that if they require contact with chemicals, they will allocate to other light works.</p>	<p><b>Complied</b></p>
<p>6.1.5 – (C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p>	<p>At Dara Lam Soon mill and estate, a Gender Committee has been established, providing a platform for female employees to address various issues, including but not limited to sexual harassment, physical violence, gender discrimination, welfare, and workplace-related concerns. The committee aims to create a safe and supportive environment for female employees and encourages the reporting of sexual harassment incidents. It also ensures</p>	<p><b>Complied</b></p>



	<p>the confidentiality of all information and complaints received.</p> <p>The Gender Committee at Dara Lam Soon mill and estate consists of female employees from diverse job positions. The committee is headed by Puan Suhaini bt Ismail, who serves as the Chairman, and Puan Rozila bt Ramli, who serves as the Vice Chairman.</p> <p>The organizational chart of the Gender Committee was reviewed, confirming the representation of members from various roles within the mill and estate.</p> <p>Minutes of the committee meetings held on 28th June 2022 and 15th December 2022 were provided, documenting the attendees, which included members of the Gender Committee and other invited guests. The minutes covered discussions on current issues, activities, suggestions, and follow-ups on previous matters.</p> <p>Interviews conducted with local workers, foreign workers, and female employees revealed no evidence of discriminatory practices within the Dara Lam Soon mill and estate. This indicates that the company is committed to providing an inclusive and respectful workplace environment for all employees.</p>																				
<p>6.1.6 – There is evidence of equal pay for the same work scope.</p>	<p>Based on review of employment contracts and monthly pay slips, Dara Lam Soon mill and estate have demonstrated that workers receive equal pay for the same scope of work regardless of gender and nationality. Worker’s remuneration is either daily or piece rate based on Employment Act 1955 (Act 265) and the decent living wages (DLW) formulated by the company in the work done. Reviewed during the audit were employment contracts and Payslip for the month of February 2023, November 2022, and June 2022. Sample as follows:</p> <table border="1" data-bbox="628 1234 1251 1758"> <thead> <tr> <th>Estate/Mill</th> <th>Worker Name</th> </tr> </thead> <tbody> <tr> <td rowspan="5">POM</td> <td>1) ROSLI AL AP</td> </tr> <tr> <td>2) MUHAMMAD ARIF b ABD JALIL</td> </tr> <tr> <td>3) SHYAM BABU</td> </tr> <tr> <td>4) JAMALUDIN</td> </tr> <tr> <td>5) SENUN</td> </tr> <tr> <td rowspan="10">Estate</td> <td>1) MD SUMON HOSSEN</td> </tr> <tr> <td>2) NIPENDRA KUMAR BISWAS</td> </tr> <tr> <td>3) MOHAMMAD KHOKON MATUBBER</td> </tr> <tr> <td>4) RAKESH KUMAR YADAV</td> </tr> <tr> <td>5) SUSHEEL KUMAR</td> </tr> <tr> <td>6) AMARJEET</td> </tr> <tr> <td>7) SUSHEEL KUMAR</td> </tr> <tr> <td>8) MOHAMMAD ABRAR</td> </tr> <tr> <td>9) CHANDRA PRAKASH BHARTIYA</td> </tr> <tr> <td>10) REVATHI A/P VEERASIVAJI</td> </tr> </tbody> </table> <p>Based on the worker interview, it was further confirmed that equal pay is provided for the same job responsibilities.</p>	Estate/Mill	Worker Name	POM	1) ROSLI AL AP	2) MUHAMMAD ARIF b ABD JALIL	3) SHYAM BABU	4) JAMALUDIN	5) SENUN	Estate	1) MD SUMON HOSSEN	2) NIPENDRA KUMAR BISWAS	3) MOHAMMAD KHOKON MATUBBER	4) RAKESH KUMAR YADAV	5) SUSHEEL KUMAR	6) AMARJEET	7) SUSHEEL KUMAR	8) MOHAMMAD ABRAR	9) CHANDRA PRAKASH BHARTIYA	10) REVATHI A/P VEERASIVAJI	<p><b>Complied</b></p>
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**6.2 – Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).**

ToC Outcomes: Human rights upheld; Safe and decent work

INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE						
<p>6.2.1 – (C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.</p>	<p>Dara Lam Soon POM &amp; Estates Grouping documentation of pay is in the form of monthly pay slips. Conditions of pay are contained in the workers' respective employment contracts. Samples of the monthly pay slips and employment contracts were made available and reviewed during the audit as below:</p> <table border="1" data-bbox="628 517 1251 1043"> <thead> <tr> <th data-bbox="628 517 783 546">Estate/Mill</th> <th data-bbox="783 517 1251 546">Worker Name</th> </tr> </thead> <tbody> <tr> <td data-bbox="628 546 783 719">POM</td> <td data-bbox="783 546 1251 719">                     1) ROSLI AL AP                      2) MUHAMMAD ARIF b ABD JALIL                      3) SHYAM BABU                      4) JAMALUDIN                      5) SENUN                 </td> </tr> <tr> <td data-bbox="628 719 783 1043">Estate</td> <td data-bbox="783 719 1251 1043">                     1) MD SUMON HOSSEN                      2) NIPENDRA KUMAR BISWAS                      3) MOHAMMAD KHOKON MATUBBER                      4) RAKESH KUMAR YADAV                      5) SUSHEEL KUMAR                      6) AMARJEET                      7) SUSHEEL KUMAR                      8) MOHAMMAD ABRAR                      9) CHANDRA PRAKASH BHARTIYA                      10) REVATHI A/P VEERASIVAJI                 </td> </tr> </tbody> </table> <p>Labour laws, union and/or other collective agreements detailing payments and other conditions, were made available in the languages understood by the workers, and explained to them by a management during induction.</p> <p>Based on management and worker interview, terms and conditions in the employment contract were briefed to them before they signed the contract.</p> <p>The workers hired in the Dara Lam Soon mill and estate are direct hired or outsourced (contractor workers) with daily, or piece rate remuneration wages based on the job scope.</p> <p>Applicable agreements and documentation of pay and conditions are available to the contractor workers. Contract workers are supplied by Azmi AL Kalid, Boeran Trading, PV Maju Enterprise, Wong Sing, and Patung AL Nyang.</p>	Estate/Mill	Worker Name	POM	1) ROSLI AL AP 2) MUHAMMAD ARIF b ABD JALIL 3) SHYAM BABU 4) JAMALUDIN 5) SENUN	Estate	1) MD SUMON HOSSEN 2) NIPENDRA KUMAR BISWAS 3) MOHAMMAD KHOKON MATUBBER 4) RAKESH KUMAR YADAV 5) SUSHEEL KUMAR 6) AMARJEET 7) SUSHEEL KUMAR 8) MOHAMMAD ABRAR 9) CHANDRA PRAKASH BHARTIYA 10) REVATHI A/P VEERASIVAJI	<p><b>Complied</b></p>
Estate/Mill	Worker Name							
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<p>6.2.2 – (C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed, including work done by family members.</p>	<p>Written employment contract was provided in a language that was understood by the workers. Details of applicable labour laws under provisions of the Employment Act 1955 (Act 265) such as wages, rest days, workdays, working hours, overtime, annual leave, medical leaves are available in employment contracts signed between the company and each worker. Worker's remuneration is either daily or piece rate based on Employment Act 1955 (Act 265) and the decent living wages (DLW) formulated by the company in the work done. Payslips are issued to the workers every month, before or by 7th. Each payslip contains details (which applicable), such as name of worker, month of pay, wage for the month, overtime pay, paid public holiday, statutory deductions such as EPF,</p>	<p><b>OBS # 20230309-O3 (Observation)</b></p>						



	<p>SOCSSO, insurance, tax and prepared in Malay Language which understand by all the workers. Reviewed during the audit were employment contracts and Payslip for the month of February 2023, November 2022, and June 2022. Sample as follows:</p> <table border="1" data-bbox="628 353 1251 880"> <thead> <tr> <th data-bbox="628 353 778 387">Estate/Mill</th> <th data-bbox="778 353 1251 387">Worker Name</th> </tr> </thead> <tbody> <tr> <td data-bbox="628 387 778 555">POM</td> <td data-bbox="778 387 1251 555">           1) ROSLI AL AP            2) MUHAMMAD ARIF b ABD JALIL            3) SHYAM BABU            4) JAMALUDIN            5) SENUN         </td> </tr> <tr> <td data-bbox="628 555 778 880">Estate</td> <td data-bbox="778 555 1251 880">           1) MD SUMON HOSSEN            2) NIPENDRA KUMAR BISWAS            3) MOHAMMAD KHOKON MATUBBER            4) RAKESH KUMAR YADAV            5) SUSHEEL KUMAR            6) AMARJEET            7) SUSHEEL KUMAR            8) MOHAMMAD ABRAR            9) CHANDRA PRAKASH BHARTIYA            10) REVATHI A/P VEERASIVAJI         </td> </tr> </tbody> </table> <p>Applicable agreements and documentation of pay and conditions are available to the contractor workers. According to the payroll documents and worker interview, the compensation accurately reflects all work performed, consistent with the terms of contract and there were no issues raised regarding payment or discrepancies as outlined in the employment contract.</p> <p><b>The terms and condition related to Personal Protective Equipment and repatriation in the employment contract could be further improved.</b></p>	Estate/Mill	Worker Name	POM	1) ROSLI AL AP 2) MUHAMMAD ARIF b ABD JALIL 3) SHYAM BABU 4) JAMALUDIN 5) SENUN	Estate	1) MD SUMON HOSSEN 2) NIPENDRA KUMAR BISWAS 3) MOHAMMAD KHOKON MATUBBER 4) RAKESH KUMAR YADAV 5) SUSHEEL KUMAR 6) AMARJEET 7) SUSHEEL KUMAR 8) MOHAMMAD ABRAR 9) CHANDRA PRAKASH BHARTIYA 10) REVATHI A/P VEERASIVAJI	
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<p>6.2.3 – (C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p>	<p>Dara Lam Soon mill and estate have demonstrated compliance to legal requirements with regards to regular working hours where sighted workers' time attendance, check roll book and payslip for 3 months (February 2023, November 2022 and June 2022) that they work 8 hours per day, overtime was paid at the rate of 150% for overtime work on regular working days, 200% for working on rest day overtime and 300% for overtime on public holiday.</p> <p>Sighted "Had Kerja Lebih Masa Di Bawah Seksyen 60A(4)(a) Akta Kerja 1955 – Ref: PTK.PKN. 10605/003397 dated 22 November 2012 which mentioned maximum allowable limit of overtime in a month was capped at 130 hours. It was noted overtime record for February 2023, November 2022 and June 2022 did not exceed the maximum allowable limit by JTK.</p> <p>Medical leave and holiday are given as per the Employment Act 1955 (Act 265). As for deductions, as per the selected samples, only applicable statutory deductions were deducted, such as EPF, SOCSSO, insurance, tax and etc. For maternity leave, entitlement for female workers is accordance to the Employment Act (Amendment) 2022, which is at least 98 days.</p>	<p><b>Complied</b></p>						



	<p>Samples of employment contract, February 2023, November 2022 and June 2022 payslip, time attendance and check roll book as below were reviewed.</p> <table border="1" data-bbox="630 291 1248 817"> <thead> <tr> <th data-bbox="630 291 782 324">Estate/Mill</th> <th data-bbox="782 291 1248 324">Worker Name</th> </tr> </thead> <tbody> <tr> <td data-bbox="630 324 782 488">POM</td> <td data-bbox="782 324 1248 488">           1) ROSLI AL AP            2) MUHAMMAD ARIF b ABD JALIL            3) SHYAM BABU            4) JAMALUDIN            5) SENUN         </td> </tr> <tr> <td data-bbox="630 488 782 817">Estate</td> <td data-bbox="782 488 1248 817">           1) MD SUMON HOSSEN            2) NIPENDRA KUMAR BISWAS            3) MOHAMMAD KHOKON MATUBBER            4) RAKESH KUMAR YADAV            5) SUSHEEL KUMAR            6) AMARJEET            7) SUSHEEL KUMAR            8) MOHAMMAD ABRAR            9) CHANDRA PRAKASH BHARTIYA            10) REVATHI A/P VEERASIVAJI         </td> </tr> </tbody> </table> <p>Based on worker interview, there was no issue raise for the payment and discrepancy condition as per employment contract.</p>	Estate/Mill	Worker Name	POM	1) ROSLI AL AP 2) MUHAMMAD ARIF b ABD JALIL 3) SHYAM BABU 4) JAMALUDIN 5) SENUN	Estate	1) MD SUMON HOSSEN 2) NIPENDRA KUMAR BISWAS 3) MOHAMMAD KHOKON MATUBBER 4) RAKESH KUMAR YADAV 5) SUSHEEL KUMAR 6) AMARJEET 7) SUSHEEL KUMAR 8) MOHAMMAD ABRAR 9) CHANDRA PRAKASH BHARTIYA 10) REVATHI A/P VEERASIVAJI	
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POM	1) ROSLI AL AP 2) MUHAMMAD ARIF b ABD JALIL 3) SHYAM BABU 4) JAMALUDIN 5) SENUN							
Estate	1) MD SUMON HOSSEN 2) NIPENDRA KUMAR BISWAS 3) MOHAMMAD KHOKON MATUBBER 4) RAKESH KUMAR YADAV 5) SUSHEEL KUMAR 6) AMARJEET 7) SUSHEEL KUMAR 8) MOHAMMAD ABRAR 9) CHANDRA PRAKASH BHARTIYA 10) REVATHI A/P VEERASIVAJI							
<p>6.2.4 – (C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers’ Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure.</p>	<p>Evidence is available that the Company provides adequate housing and facilities in accordance with the requirements of the Workers’ Minimum Standard of Housing and Amenities Act 1990. All workers are provided with free accommodation as stated in their employment contracts, and free electricity and water supplies. With the exception mentioned below, the houses are generally in a good state of repair.</p> <p>It can be concluded that adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers’ Minimum Standard of Housing and Amenities Act 1990 (Act 446). All staff and workers are staying in the same area within Dara Lam Soon Estate. Based on visits conducted, the houses provided were adequate, and in reasonably good condition and comfortable. Interviews with the workers reveal that they were satisfied with the response to requests for any repair works.</p> <p>Each family was given one house. Single workers share the accommodation with 4-6 colleagues per house depending on the house type i.e., 4 persons for 2 room houses and 6 persons for 3 room houses. All houses were supplied with 24 hours of electricity (from TNB/generator set) and water supply (self-treated). Sundry shops, canteen, Masjid, temple, clinic, and recreational facilities such as football field, volleyball and badminton court are also available for workers during recreation time/ rest day.</p>	<p><b>Complied</b></p>						
<p>6.2.5 – The unit of certification makes efforts to improve workers' access to adequate, sufficient, and affordable food.</p>	<p>There are 2 sundry shops and 1 canteen at the workers quarters. The contracts were administered by DARA Lam Soon Estate and POM. All the shop owners require to list and submit their price to Dara Lam Soon Estate and POM for review prior signing into new contract and whenever there is price change. However, the estate allows the</p>	<p><b>Complied</b></p>						



	workers to shop outside the estate, not 100% depending on shops available in the Estate.	
<p>6.2.6 – A “DLW” is paid to all workers, including those on piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p><b>PROCEDURAL NOTE:</b> RSPO STANDARD STANDING COMMITTEE 14th of October 2019 <b>STATEMENT FROM THE RSPO STANDARD STANDING COMMITTEE REGARDING THE INDICATOR 6.2.6 ON DECENT LIVING WAGE</b></p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavor to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist<sup>1</sup>.</p> <p>Where a GLWC living wage standard (benchmark), or one that fulfills the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks<sup>2</sup>. These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers’ union, authorities and/or relevant organisations.</p> <p>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage<sup>3</sup>.</p> <p>Once the benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> <li>• Updated assessment on prevailing wages and in-kind benefits</li> <li>• There is annual progress on the implementation of living wages</li> <li>• Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual</li> </ul>	<p>Sampled payslips at Dara Lam Soon mill and estate, there is evidence that daily rated workers receive at least minimum wages of RM57.70 per day. For piece-rated workers, so long as they are able to achieve daily target, they will receive RM1,500 and above per month. Sighted the assessment of the prevailing wages and in-kind benefits provided to workers took into account the housing baskets, medical, education and transportation. The average income was RM 1,872.12.</p>	<p><b>Complied</b></p>





<p>implementation of the living wage payment</p> <ul style="list-style-type: none"> <li>The UoC may choose to implement the living wage payment in specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation.</li> </ul> <ol style="list-style-type: none"> <li>As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam. These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate.</li> <li>Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance with the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country.</li> <li>RSPO Guidance for Implementing a Decent Living Wage. The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country.</li> </ol>		
<p>6.2.7 – Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p>	<p>Each operating unit employs full-time employees. Foreign workers are full-time employees but have a contractual duration which is stipulated in their employment contracts. This contract duration can be mutually extended subject to the annual work permit from the Malaysian Immigration Department. Casual work currently limited to the seasonal job such as loose fruit picker. The casual work currently employs from nearby indigenous village i.e Kg Terubing.</p>	<p><b>Complied</b></p>
<p><b>6.3 – The unit of certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</b> ToC Outcomes: Human rights upheld; Safe and decent work</p>		
<p><b>INDICATORS</b></p>	<p><b>FINDINGS AND OBJECTIVE EVIDENCE</b></p>	<p><b>COMPLIANCE</b></p>
<p>6.3.1 – (C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p>	<p>Lam Soon Plantations Sustainability Statement states:</p> <ul style="list-style-type: none"> <li>Clause 9. We uphold the right of employee to form association and collective bargaining to represent them in dealing with employer with regards to work related issues or social issues.</li> </ul> <p>This Policy is available in English and Bahasa Malaysia. The policy was briefed to workers during briefing, meeting, and training. Latest training for policy was held on 08-Febr-2023.</p> <p>Implementation of the policy is demonstrated when workers are able to bring issues to the management’s attention at the Worker Representatives meetings via their own elected representatives which held in every 3</p>	<p><b>Complied</b></p>



	months. The last meeting was on 22 December 2022 for mill and 25 February 2023 for estate. This were also verified during interview.	
6.3.2 – Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.	Currently local union representative Dara Lam Soon workers have been dispersed. Collective Agreement 2022 (1 January 2022 to 31 December 2024) between Dara Lam Soon Sdn Bhd and All Malayan Estates Staff Union. Union membership is open to local workers. There are also Worker Representatives Committee each for mill and estate. The worker representatives consist of Malaysian, Bangladeshi, Indonesian, and Indian. Minutes of the meetings are documented in Bahasa Malaysia and made available upon request. Sample meeting minutes dated 22/12/2022 for Dara Lam Soon POM and 25/2/2023 for Sungei Merba Estate.	<b>Complied</b>
6.3.3 – Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.	Workers are free to elect their own representatives to sit in the Worker Representatives Committee. Interviews conducted with workers confirmed that worker representatives were elected by the workers themselves during voting day. Committee members comprise of worker representatives from Malaysian, Bangladeshi, Indonesian, and Indian from different job classification. Each operating unit have their individual own worker representatives. Organization chart was provided by mill and estate for review. Based on worker interview, they are aware on the function of Worker Representatives Committee as a platform for them to voice-out their concern and to solve conflicts if any, with the management during meeting and there has been no interference with the formation and operation of the Worker Representatives Committee.	<b>Complied</b>
<b>6.4 – Children are not employed or exploited.</b>		
ToC Outcomes: Human rights upheld; Safe and decent work		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
6.4.1 – A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.	Lam Soon Plantations Sustainability Statement states: <ul style="list-style-type: none"> <li>Clause 3. Prohibition of child labour at all our operations. We are committed to ensure kids welfare and protection. To ensure access to education for all the kids in our operating units. No local under the age of sixteen or foreigner under the age of eighteen is to be employed.</li> </ul> Dara-Lam Soon POM & Estate Grouping has implemented a "Child Protection Policy" to ensure that individuals under the age of 16 are not employed within their operations. The policy was established on 20th January 2020 by the Plantation Director. Through a review of records and interviews conducted, it has been confirmed that the policy has been effectively communicated to workers, contractors, and service providers. The most recent training for the policy was conducted on 8th February 2023, indicating the company's commitment to raising awareness and ensuring compliance with the child protection measures. Furthermore, a thorough review of the worker list, which includes details such as workers' dates of birth, was conducted for both the estate and mill. It has been verified that no individuals under the age of 16 years old	NC # <b>20230309-N2</b> <b>(Minor)</b>



	<p>are employed within Dara-Lam Soon POM &amp; Estate Grouping, demonstrating compliance with the Child Protection Policy.</p> <p><b>Although there is no child labour issue at Dara-Lam Soon POM &amp; Estate Grouping (as per site visit, desktop study, records review and interview conducted), the child remediation programme should be established and included into the service contracts and supplier agreements. Therefore, Minor NC has been raised against this indicator.</b></p>	
<p>6.4.2 – (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p>	<p>It has been verified that Dara Lam Soon POM and Estate Grouping has strictly adhered to the policy of not employing individuals below the age of 18 years. The auditor's examination of various documents such as master lists, personal files, contracts, and payslips, which contain workers' IC numbers and dates of birth, confirmed that no individuals below the age of 18 were employed within the estate and mill.</p> <p>Furthermore, interviews conducted with workers and staff, as well as observations made during field visits, support the finding that only individuals above the age of 18 are employed at the Dara Lam Soon POM and Estate Grouping. This confirms the commitment of the organization to comply with legal requirements and ensure the protection of young individuals by not employing them in the workplace.</p>	<p><b>Complied</b></p>
<p>6.4.3 – (C) Young persons may be employed only for non-hazardous work, with protective restrictions in place for that work.</p>	<p>Thank you for the clarification. It has been confirmed that Dara Lam Soon POM and Estate Grouping do not employ any young persons, and this is in line with Lam Soon Plantations' commitment to the "No Child Labour" policy. The absence of any evidence of young person's being employed was further supported by worker interviews, site tours, and the examination of master lists that contain workers' IC numbers and dates of birth.</p> <p>The commitment to upholding the "No Child Labour" policy demonstrates the organization's dedication to ensuring the well-being and protection of young individuals and complying with legal requirements. The thorough verification process conducted through worker interviews, site tours, and document examination provides assurance that the UoC maintains a workforce consisting only of individuals above the legal working age.</p>	<p><b>Complied</b></p>
<p>6.4.4 – The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.</p>	<p>These Policies are available and displayed at the main notice boards and can be downloaded from the Lam Soon Plantations website (<a href="https://www.lamsoonplantations.com.my">https://www.lamsoonplantations.com.my</a>).</p> <p>It is confirmed that meetings are conducted with external stakeholders to ensure their understanding and implementation of the policy. Additionally, the policy has been effectively communicated to workers through briefings, meetings, and training sessions. The latest training session for the policy took place on 08-Feb-2023. By regularly briefing and training workers on the policy, Dara Lam Soon ensures that its workforce is well-informed and knowledgeable about the policy's content and implementation. This proactive approach helps to promote awareness and understanding among</p>	<p><b>Complied</b></p>



	employees, fostering a culture of compliance and adherence to the policy's principles and guidelines.	
<b>6.5 – There is no harassment or abuse in the workplace, and reproductive rights are protected.</b> ToC Outcomes: Human rights upheld; Safe and decent work		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
6.5.1 – (C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.	<p>Lam Soon Plantations Sustainability Statement states:</p> <ul style="list-style-type: none"> <li>• Clause 5: No act of violence and harassment are to allow in all our operations.</li> <li>• Clause 6: No intimidation and threats to workers.</li> </ul> <p>The estate and mill have established a Sexual Harassment Policy (“Workplace Harassment &amp; Violence Policy”) and approved by Lim Chan Khoon (Plantation Director). The policy dated 2 January 2020 defines what constitutes sexual harassment, and states that it would comply with the relevant laws and increase awareness with regards to sexual harassment.</p> <p>The policy was briefed to workers during briefing, meeting, and training. Latest training for policy was held on 8 February 2023. These Policies are available and displayed at the main notice boards or can be downloaded from the Lam Soon Plantations website (<a href="https://www.lamsoonplantations.com.my">https://www.lamsoonplantations.com.my</a>).</p> <p>Based on the document review, there was no case with regards to harassment and violence in the grievance record. It was further confirmed during the management and worker interview.</p>	<b>Complied</b>
6.5.2 – (C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.	<p>Lam Soon Plantations Sustainability Statement states:</p> <ul style="list-style-type: none"> <li>• Clause 7. We respect women reproductive rights. Women are assessed for their needs to breastfeed; and to be given specific break times to enable effective breastfeeding.</li> </ul> <p>The estate and mill have established a Women Reproductive Rights Policy and approved by Lim Chan Khoon (Plantation Director). The policy dated 2 January 2020 states Lam Soon fully respects women reproductive rights, care about mother and children, and provide a safe and healthy environment.</p> <p>The policy was briefed to workers during briefing, meeting and training. Latest training for policy was held on 8 February 2023. These Policies are available and displayed at the main notice boards or can be downloaded from the Lam Soon Plantations website (<a href="https://www.lamsoonplantations.com.my">https://www.lamsoonplantations.com.my</a>).</p> <p>The female workers are further enhanced on the matter of harassment and violence during the Women Representatives Committee meeting.</p> <p>Interviews with female workers confirmed that this Policy is being implemented in that they are entitled to paid maternity leave, and there is no prohibition from management on the number of children to have.</p>	<b>Complied</b>
6.5.3 – Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.	In the Dara Lam Soon, Gender Committee have been established at the Mill and Estate levels to help disseminate awareness on issues relating to reproductive rights and need of new mothers. Awareness on reproductive rights need of new mothers are also briefed during muster and Gender Committee meetings held at	<b>Complied</b>



	each Mill and Estates. During visit at the estate and mill, there was none new mothers.	
6.5.4 – A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented, and communicated to all levels of the workforce.	<p>Lam Soon Plantations Sustainability Statement states:</p> <ul style="list-style-type: none"> <li>• Clause 14: We are committed to the fair and transparent grievance, complaints, and request mechanisms. Our Transparency Policy are: <ul style="list-style-type: none"> <li>▪ All workers and stakeholder’s grievance, complaints, and request will be managed fairly and as per the procedures.</li> <li>▪ Grievances, complaints, and request are to be communicate in timely manner.</li> <li>▪ Result and conclusion to be reverted to the relevant personnel.</li> </ul> </li> <li>• Clause 15: Anonymity of complaints and whistle blowers will be protected ensuring no repercussions.</li> <li>• Clause 16: We are committed to protect Human Rights Defender (HRD) and prohibit retaliations against them.</li> </ul> <p>Grievance procedure in dual language (English and Malay) can be downloaded from the Lam Soon Plantations website (<a href="https://www.lamsoonplantations.com.my">https://www.lamsoonplantations.com.my</a>).</p> <p>Whenever there are request for information, assistance or forwarding grievances, they can fill up and submit:-</p> <ol style="list-style-type: none"> <li>(1) Borang Aduan or</li> <li>(2) Meet with the estates or mill manager verbally in estate/mill office he/she then needs to fill up Borang Aduan for documentation purpose.</li> </ol> <p>Lam Soon Plantations encourages all internal and external stakeholders who identify issues or incidents in the Lam Soon supply chain that are not in line with the principles stated, to submit a grievance. Lam Soon Plantations also commits to safeguard all stakeholders involved in the grievance process against potential threats, intimidation, violence, or reprisals. When a grievance is submitted, Lam Soon Plantations will pro-actively engage with the grievance raiser.</p> <p>The complainant will receive an acknowledgement of the receipt. In cases where more information is required to start the investigation, the Grievance Coordinator shall contact the complainant for additional information.</p> <p>Gender Committees have been established and the grievance mechanism has been communicated to its members during their meetings, training and during briefings to all level of workforce. Interviews conducted with workers confirmed their awareness and understanding of this grievance mechanism.</p>	<b>Complied</b>
<b>6.6 – No forms of forced or trafficked labour are used.</b>		
ToC Outcomes: Human rights upheld; Safe and decent work		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
6.6.1 – (C) All workers have entered into employment voluntarily and the following are prohibited: <ul style="list-style-type: none"> <li>• Retention of identity documents or passports (except for administration</li> </ul>	<p>Lam Soon Plantations Sustainability Statement states:</p> <ul style="list-style-type: none"> <li>• No abuse to those who are vulnerable, and recruitment are based on voluntarily basis with agreement between employer and employee. Termination of employment as per the contract</li> </ul>	<b>OBS # 20230309-04 (Observation)</b>



<p>purposes including legalisation and renewal processes)</p> <ul style="list-style-type: none"> <li>• Charging the workers for recruitment fees</li> <li>• Contract substitution</li> <li>• Involuntary overtime</li> <li>• Lack of freedom of workers to resign</li> <li>• Penalty to the workers for termination of employment</li> <li>• Debt bondage</li> <li>• Withholding of wages</li> </ul>	<p>agreement are allowable by giving reasonable notice.</p> <ul style="list-style-type: none"> <li>• No deceptions during recruitment process including prohibiting contract substitutions.</li> <li>• Identity documents are to be always kept by workers and used as per their needs.</li> <li>• No withholding wages.</li> <li>• No debt bondage and implementation of zero recruitment fee.</li> </ul> <p>Based on document review, worker interview and site tour, it was noted all the migrant workers are legally recruited. Written employment contract was provided to them in a language that was understood by the workers. Employment contract was signed upon arriving in the receiving country. Based on worker interview, they have entered into employment by voluntarily and freely basis, without the threat of a penalty, and have freedom to terminate employment without penalty by given reasonable notice as per agreement. In addition, all of them confirmed that they keep their own passports. Recruitment and legalisation of foreign workers arranged by Human Resource Department through approved recruitment agencies by Lam Soon. Contract substitutions were not evident as they were aware of what jobs would be before started working.</p> <p><b>Involuntary overtime:</b> Available were overtime requisition forms for overtime work in February 2023, November 2022 and June 2022. There is no force made if workers refuse to do overtime work and this was duly confirmed during interviews.</p> <p><b>Lack of freedom of workers to resign:</b> There is no evidence observed of workers being prohibited from resigning.</p> <p><b>Penalty to workers for termination of employment:</b> Review of sampled employment contracts which contain mutually agreed termination clause.</p> <p><b>Debt bondage:</b> Based on interviews with workers, there is no evidence of any form of debt bondage.</p> <p><b>Withholding of wages:</b> Based on interviews, review of the employment contracts and workers' pay slips, there is no evidence of any wages being withheld from the workers.</p> <p>Due to the implementation of zero hiring cost policy, the employer shall reimburse all the costs with total amount RM2075 to the worker which paid by them in their home country as below:</p> <ol style="list-style-type: none"> <li>(1) Medical check-up (Fomerma/Bestinet) – RM330</li> <li>(2) Visa stamping (VDR) – RM413</li> <li>(3) Immigration clearance – RM220</li> <li>(4) Pre departure orientation training/insurance – RM275</li> <li>(5) Lodging (3 days) airport drop (Chennai) – RM250</li> </ol>	
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	<p>(6) RT/PCR (if applicable) – RM91 (7) Air ticket (Chennai to KL) – RM496</p> <p><b>The due diligence on the recruitment fee for the new joiners could be further enhance.</b></p>	
<p>6.6.2 – (C) Where temporary or migrant workers are employed, a specific labour policy and procedures are established and implemented.</p>	<p>Dara Lam Soon mill and estate adopt the Labour Policy dated 24 June 2016 which states that "All employees shall be treated fairly in terms of recruitment, progression, terms and conditions of work and representation race, caste, nationality". "Company will not practice force labour or involve in trafficked labour".</p> <p>Special labour policy for employment of foreign workers has been addressed in the 'Polisi Khas Pekerja' dated 22/2/2017. The policy stated that foreign employees should be treated fairly in terms of recruitment, terms, and conditions of work, provide decent living, no contract substitution and post arrival program. Based on observations and interviews of foreign workers (harvesters, sprayers, mill workers), there is no evidence of contract substitution and no discriminatory practices against foreign workers.</p>	<b>Complied</b>
<p><b>6.7 – The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</b> Toc Outcomes: Safe and decent work</p>		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
<p>6.7.1 – (C) The responsible person(s) for H&amp;S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p>	<p>It is verified that the Mill Manager and Estate Manager at Dara Lam Soon POM &amp; Estates Grouping have overall responsibilities for safety and health issues, with the assistance of the POM and sustainability support team.</p> <p>The Mill Manager and Estate Manager appoint an Assistant Manager from their respective units to serve as the Person in Charge (PIC) of safety. The PIC is responsible for overseeing the safety, health, and welfare of the staff and workers within their unit.</p> <p>Each operating unit within Dara Lam Soon POM &amp; Estates Grouping has its own Occupational Safety and Health (OSH) Committee, which holds regular meetings between the responsible persons and workers. The meeting minutes indicate that a wide range of topics are covered, including previous minutes, workplace inspections, discussion on accident reports, training, internal audits, and other relevant issues. The Chairman of the OSH Committee chairs these meetings, ensuring effective communication and collaboration among all stakeholders.</p> <p>By establishing dedicated safety roles, conducting regular OSH committee meetings, and addressing various safety-related matters, Dara Lam Soon POM &amp; Estates Grouping demonstrates its commitment to ensuring the safety and well-being of its staff and workers.</p>	<b>Complied</b>
<p>6.7.2 – Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained</p>	<p>During the interview with the workers, they understood and explained well to the auditor how they need to do when an accident and emergency occurred.</p> <p>During the site visit, verified that the first aid box was available at boiler station, mill workshop, mill loading ramp, harvesting area and manuring activity.</p> <p>Workers trained in First Aid were present in the mill (Boiler, storage are, office, loading ramp, workshop) and</p>	<b>Complied</b>



<p>in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p>	<p>field operations (harvesting area, workshop, office). Verified that each operating unit are kept their accident records. They will conduct investigation if there is any workplace accident occur. Furthermore, they will review the accident record during quarterly OSH Meeting. Based on the record, no accident happened at P Dara Lam Soon POM and Sungei Merba Estate.</p>	
<p>6.7.3 – (C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash, and put on their personal clothing.</p>	<p>Awareness and training program 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 SDS, safe working practices and the correct use of PPE.</p> <p>Suitable PPE has been provided to the workers based on the HIRARC established, information in the SDS and CHRA assessor’s recommendation. During the site visit, the PPE were adequately implemented, e.g., Sterilizer Station, Press Station, loading ramp, oil room, boiler, manuring, harvesting, and spraying. Based on interviews with workers, each PPE they received was free, and the management did not charge any payments for the PPE. If there is any damage or it is time to change to new PPE, the worker only needs to bring the used PPE to the management and the management will issue new PPE to the worker. This PPE issuance will be recorded by the management. The issuance records of the PPE to the workers were sighted during the audit. Used PPE will be collected by management for disposal. The record for PPE Issuance were sighted during the documentation review.</p> <p>The management provides adequate shower rooms and soap for employees’ use after returning from activities involving chemical application. Lockers are also provided for the convenience of employees to keep clean clothes for them to use to go home. To ensure that no PPE is taken home, the management has provided an area to wash and store PPE. Used PPE will be disposed of as scheduled waste, registered as SW410</p>	<p><b>Complied</b></p>
<p>6.7.4 – All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p>	<p>It is verified that all workers, including foreign workers, at Dara Lam Soon mill and estates are covered by the Social Security Organization (SOCSO). This is evidenced by the records of SOCSO contributions (Borang 8A) for February 2023, November 2022, and June 2022.</p> <p>SOCSO provides social security protection to employees in Malaysia, including benefits such as medical care, disability benefits, and employment injury compensation. By ensuring that all workers are covered by SOCSO, Dara Lam Soon POM &amp; Estates Grouping demonstrates compliance with social security regulations and a commitment to the well-being and protection of its employees.</p>	<p><b>Complied</b></p>
<p>6.7.5 – Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p>	<p>Records on Lost Time Accident (LTA) metrics have been maintained and found to be satisfactory at Dara Lam Soon POM and Sungei Merba Estate. Each operating unit has submitted their respective JKKP 8 Report to the Department of Occupational Safety and Health (JKKP) for the year 2022 in early January 2023. The management of each operating unit has properly retained a copy of the report.</p>	<p><b>Complied</b></p>





	Maintaining records on LTA metrics and submitting the JKPP 8 Report to the JKPP demonstrates Dara Lam Soon POM and Sungei Merba Estate commitment to monitoring and ensuring the safety of its workers. These actions align with occupational health and safety regulations and contribute to creating a safe working environment for all employees.	
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**Principle 7: Protect, Conserve and Enhance Ecosystems and the Environment**

- Protect the environment, conserve biodiversity, and ensure sustainable management of natural resources.

<b>7.1 – Pests, diseases, weeds, and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</b>		
ToC Outcomes: Pollution reduced; Resource use minimised; Productivity optimised		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
7.1.1 – (C) IPM plans are implemented and monitored to ensure effective pest control.	<p>Dara Lam Soon Estate has established Oil Palm Agricultural Policy for Pest and Disease which has incorporate and outlined the IPM plans with the objective to reduce the usage of chemical pesticide. To achieve the IPM objectives, the IPM policy has defined several approaches such as pest damage monitoring, census, biological control, continuous beneficial plan planting, etc.</p> <p>The plan was implemented, and records of implementation are maintained such as follow:</p> <ul style="list-style-type: none"> <li>• Potential Pest identified in ‘Identification of Integrated Pest Management Plan for the Year 2023’. Among pest identified: <ul style="list-style-type: none"> <li>• Rats</li> <li>• Bagworm</li> <li>• Rhinoceros Beatle</li> <li>• Wild Boar</li> <li>• Proposed plan for each pest identified</li> <li>• Census programme</li> <li>• Threshold level for each pest e.g., more than 5% for rats,</li> <li>• P &amp; D Chemical usage record – ‘Summary of chemical usage by block for the year 2022</li> <li>• ‘Summary of ‘P &amp; D Rat Damage Census’ record</li> <li>• Barn Owl Implementation programmed and map (current barn owl census – 66 houses to cover 1206 ha)</li> <li>• Beneficial plant Implemented programmed and planted Map- Turnera Subulata and Antigonan Leptosus (total planted 900 m+700m+800m+700m+1000m+1000m)</li> </ul> </li> </ul>	<b>Complied</b>
7.1.2 – Species referenced in the Global Invasive Species Database and <a href="http://CABI.org">CABI.org</a> are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.	<p>‘Summary: Status IPM Species Invasiveness’ was established and referenced of the document was made to Cabi.org. No invasive species used in the operating unit. During field visit, it is noted that estate management is not using the species listed in the Global Invasive Species Database and CABI.org in the managed areas. It is also noted that person-in-charge of the estate (Estate Managers, Assistant Managers, Staffs) are aware of the Global Invasive Species and CABI.org</p>	<b>Complied</b>



<p>7.1.3 – There is no use of fire for pest control unless in exceptional circumstances, i.e., where no other effective methods exist, and with prior approval of government authorities.</p>	<p>The estates had observed zero burning for pest and disease control as stated in the company’s Environment Policy, which was endorsed by the Plantation Director on 01-Sep-2022.</p> <p>Based on the site visit and documentation verification, there is no evidence of fire used for pest control. This Policy is based on the fundamentals laid out in the Malaysian Environment Quality Act 1974 (EQA 1974) and Guidelines for the Implementation of the ASEAN Policy on Zero Burning, which Dara Lam Soon commits to adhere to</p>	<p><b>Complied</b></p>
<p><b>7.2 – Pesticides are used in ways that do not endanger health of workers, families, communities, or the environment.</b> ToC Outcomes: Reduced pollution; Resource use minimised</p>		
<p><b>INDICATORS</b></p>	<p><b>FINDINGS AND OBJECTIVE EVIDENCE</b></p>	<p><b>COMPLIANCE</b></p>
<p>7.2.1 – <b>(C)</b> Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised.</p>	<p>Documented justification of all pesticides used were available as in ‘Agriculture Manual &amp; Standard Operating Procedure for Oil Palm’ and ‘Chemical Justification 2023’ which had been reviewed and found to be acceptable.</p> <p>The types of pesticides used with justifications included:</p> <ul style="list-style-type: none"> <li>● <i>Tryclopyp 2 – butoxyethyl ester</i></li> <li>● <i>Cypermethrin</i></li> <li>● <i>Glyphosate Potassium Salt</i></li> <li>● <i>Metsulfuron – methyl 20%</i></li> <li>● <i>Brodifacoum</i></li> <li>● <i>Flocoumafen 0.005%</i></li> </ul> <p>All the chemical and pesticide used are listed in the standardized form provided by the Department of Occupational Health and Safety Malaysia (DOSH) entitled ‘Register of Chemicals Hazardous to Health’. From the review of the Chemical Register latest updated in Jan 2023, it was found that all chemicals are registered under Pesticides Act 1974 (Act 149) and the relevant provision Pesticides Act 1974 (Act 149) (Section 53A); and in accordance with USECHH Regulations (2000).</p> <p>Chemical store visit and workers interview conducted found no evidence of chemical categorize as Class 1A or 1B by World Health Organisation or listed by the Stockholm or Rotterdam Conventions ever been used by the UoC.</p>	<p><b>Complied</b></p>
<p>7.2.2 – <b>(C)</b> Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.</p>	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of active ingredients applied per ha, and number of applications had been maintained. The records were to be kept for a minimum of 5 years. This information was recorded in several medium such as field costing book, progress report, chemical issuance notes, etc. The information will be integrated into the ‘Summary of chemical used’ and latest summary of Jan – Dec 2022 was evident.</p> <p>The types of pesticides used as follow:</p> <ul style="list-style-type: none"> <li>● <i>Metsulfuron-methyl 20%</i></li> <li>● <i>Glyphosate Isopropylamine 41%</i></li> <li>● <i>Triclopyp-butotyl 32.1%</i></li> <li>● <i>2,4-D Dimethylamine 60%</i></li> <li>● <i>Flocoumafen 0.005%</i></li> <li>● <i>Sodium Chlorate 90%</i></li> </ul>	<p><b>Complied</b></p>



	Verified that records of monitoring of said pesticides were available and satisfactorily maintained.	
7.2.3 – (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.	<p>Chemical Reduction Plan 2023 was established to identify the opportunity to minimise the use of pesticide and to continually monitor the usage in accordance with the IPM. The long-term monitoring programme as sighted in Summary of Chemical Usage for 5 years (2018 -2022) was established to closely identify any significant surge in usage at the same time to ensure the plan to reduce the usage is on track.</p> <p>In addition, estates also established growth of beneficial plants (Cassia cobanensis, Antigonon leptopus and Tunera subulata) to attract natural predators and reduce use of insecticides. The Barn Owl programmed in progress and the monitoring record are available.</p> <p>The pesticide reduction program is monitored on usage per hectare basis.</p>	<b>Complied</b>
7.2.4 – There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.	<p>Census was conducted and recorded in 'Summary of P &amp; D census'. No outbreak on any pest attack as to date. Specified in the company's Pest and Disease SOP, any use of pesticide will be initiated upon the result of census where the threshold is surpassed.</p> <p>Verified that there was no prophylactic use of pesticides at the estates.</p>	<b>Complied</b>
<p>7.2.5 – Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and <i>paraquat</i>, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <ol style="list-style-type: none"> <li>Judgment of the threat and verify why this is a major threat</li> <li>Why there is no other alternative which can be used</li> <li>Which process was applied to verify why there is no other less hazardous alternative</li> <li>What is the process to limit the negative impacts of the application</li> <li>Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</li> </ol>	<p>Use of paraquat had been eliminated in accordance with Dara Lam Soon Policy and the use of paraquat had been banned in Lam Soon estate since 10-Apr-2018.</p> <p>From the review of the chemical register, it was noted that all pesticides used are of class II, III &amp; IV. There was no evidence of pesticides that are categorized as World Health Organization Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions were used. Methamidophos was last used in 2017 for trunk injection to treat bagworm attack. Since 2019, Lam Soon had replaced the usage of Methamidophos to Adonis (a.i percentage: 97% Acephate) which is a class III chemical.</p> <p>During site visit, First Aid Kits were found to be available during pesticides spraying in the fields (4<sup>th</sup> Schedule) and Portable signboard noted to be displayed at areas of spraying activity (5<sup>th</sup> Schedule).</p>	<b>Complied</b>
7.2.6 – (C) Pesticides are only handled, used, or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.	<p>All pesticide operators had attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Programmes and training records verified to be satisfactory. The training includes spraying technique, precautions, and symptoms of toxic reactions such as skin disorders, rashes, mouth, and throat pain, breathing difficulties or nail problems.</p> <p>Examples of the training and briefing records verified are as follows:</p> <ul style="list-style-type: none"> <li>Safe Working Procedure for Triple rinse training -18 Jan 2023</li> </ul>	<b>Complied</b>



	<ul style="list-style-type: none"> <li>• Safe Working Procedure for 'Meracun anak kayu dan pokok sawit' (sprayer and premixer) – 02-Mar-2023</li> <li>• Safe Working Procedure for 'Keselamatan pengendalian kerja -kerja di stor' – 28-Jan-23</li> </ul> <p>Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, aprons, and raincoat-type long trousers) had been provided and used by the pesticide's operators.</p> <p>All precautions attached to the pesticides (SDS) had been observed, applied, and understood by the workers.</p> <p>The UOC has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	
<p>7.2.7 – (C) Storage of all pesticides is in accordance with recognised best practices.</p>	<p>Several procedures related to handling and storage of chemical was established namely <i>Prosedur Kerja Selamat (SOP) Keselamatan Penyimpanan Bahan Kimia</i>, No. Doc : DLS/SAFETY/SOP-10 and <i>Prosedur Kerja Selamat (SOP) Keselamatan Pengendalian Bahan Kimia</i>, No. Doc: DLS/SAFETY/SOP-04.</p> <p>During site visit, it was observed the storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974.</p> <p>Chemicals were mixed in the pre-mixing areas of the store that was under lock and key.</p> <p>Emergency shower and eye wash were available at the pesticides store in case of accidents. The water pressure was noted to be sufficient for such purpose.</p> <p>Safety Data Sheets (SDS) were available in the stores. The SDS are in English and Bahasa Malaysia (understood by the workers).</p> <p>Chemical containers were reused as containers for spraying solutions. For disposal as scheduled waste, empty pesticide containers were triple rinsed and pierced at the bottom.</p> <p>Latest training record on storage procedure titled '<i>Taklimat Keselamatan Pengendalian Kerja -Kerja Distor</i>' was conducted to the storekeeper, store clerk and staffs dated 28-Jan-2023.</p>	<p><b>Complied</b></p>
<p>7.2.8 – All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.</p>	<p>Pesticide containers were used back as premixed container for spraying activity and the remaining empty containers were punctured, triple rinse, and stored in the empty container store. All the empty container that had been triple rinsing will be disposed to licensed contractor approved by the DOE.</p>	<p><b>Complied</b></p>
<p>7.2.9 – (C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p>	<p>No execution of aerial spraying of pesticide implemented in the estate's operation.</p>	<p><b>Complied</b></p>



<p>7.2.10 – (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p>	<p>Annual medical surveillance for all pesticide operators was implemented according to OSHA USECHH 2000 requirements Schedule 1 and 2.</p> <p>Records maintained at the POM and estates showed that workers who handled chemicals were sent for medical surveillance, as follow:</p> <ul style="list-style-type: none"> <li>• Estate: Report Ref. No: DB.OHD. R. DLS221222 conducted on 16-Jan-23 for 12 workers – all normal results</li> <li>• Mill: Report Ref. No: HQ/04/ASS/00/193-2019/064 conducted on 19.09.2022 for 44 workers – all normal results</li> </ul> <p>The medical reports showed that there was no case of low blood cholinesterase levels. Any worker with such health condition would be declared unfit for work with pesticides — no such cases in the UoC as at the date of audit.</p> <p>Pesticide’s operators were interviewed during field visits, and feedback received that they did not have any symptoms of toxic reactions such as skin disorders, rashes, mouth, throat pain, breathing difficulties or nail problems.</p> <p>In addition to the annual medical surveillance, monthly clinical checks (gastrointestinal, urinary system) also carried out by the Medical Health Officer/ Assistant on the Pesticides spraying workers and handlers.</p> <p>Medical surveillance records and monthly health checking records (done at the clinics) were available and satisfactorily maintained.</p>	<p><b>Complied</b></p>
<p>7.2.11 – (C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p>	<p>Based on the Daily Muster Chit, Employee list and check roll records, there is no employees under the age of 18 years old is hired by the UOC. Further review of the documents and workers interview, all work related with handling of pesticide was carried out by male workers.</p> <p>Result of medical surveillance shows all workers involved with the handling of pesticide is fit to work and have no medical restriction.</p>	<p><b>Complied</b></p>
<p><b>7.3 – Waste is reduced, recycled, reused, and disposed of in an environmentally and socially responsible manner.</b> ToC Outcomes: Reduced pollution; Resource use minimised</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>7.3.1 – A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented, and implemented.</p>	<p>Among others, the ‘Waste Management Plan’ established by the UoC has outline the followings:</p> <ul style="list-style-type: none"> <li>• Identification of all pollution source (prevention and mitigation / Improvement plan)</li> <li>• Identification, prevention, mitigation &amp; improvement plan on waste /pollution sources</li> <li>• Waste management and reduction plan</li> <li>• Details of Scheduled Wastes commonly found in the operating centre.</li> <li>• Pesticide container triple rinse procedure</li> <li>• Guideline for domestic waste disposal management</li> </ul> <p>All waste products and sources of pollution were identified and documented at both POM and estates. No changes made to the classification and no new waste identified.</p>	<p><b>Complied</b></p>



	<p>The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste, and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the POM and estates.</p> <p>Scheduled Waste identified included spent lubricating oil (SW 305), spent hydraulic oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) used batteries (SW 102) and used welding rods (SW104). The UOC is referring to the circular, ref. no.: JAS.CHQ.600-3/3/12 jld.2 (8) dated 13 July 2022 by Jab. Alam Sekitar Negeri Pahang which has stated that triple rinsed HDPE pesticide container are no longer classified as scheduled wastes and are allowed to be sent for recycling.</p> <p>Appropriate secondary containment for the diesel skid tanks chemical and scheduled waste storage areas was verified to be well maintained at the POM and estates.</p> <p>Segregation of wastes i.e., general wastes and scheduled wastes was verified to be satisfactorily implemented.</p> <p>Proper storage areas i.e., stores, were identified for the storage of the recyclable wastes at the estates and POM. The waste management and disposal were then expanded in a waste management plan which included the operational prescription for reduction and recycling of the waste at both the POM and estates.</p>	
<p>7.3.2 – Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p>	<p>The waste management and disposal plan were in place at all operating unit, implemented as required and is being carried out responsibly.</p> <p>Segregation of wastes i.e., general wastes and scheduled wastes was verified to be satisfactory carried out in the POM and all the estates visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>Interview with the workers and managers found the procedures of waste material disposal are fully understood and satisfactorily demonstrated.</p> <p>Waste disposal was done by an appointed contractor that is licensed by the Department of Environment. The schedule waste disposal was done by an appointed contractor that is licensed by the Department of Environment. Latest disposal record was evident as follows:</p> <p><b><u>Estate</u></b></p> <ul style="list-style-type: none"> <li>● SW inventory: JAS.CHQ.600-3/4/420 reported on 10 Jan 2023: <ul style="list-style-type: none"> <li>- SW305 – 0.5949mt</li> <li>- SW404 – 0.0015mt</li> <li>- SW409 - 0.1460mt</li> <li>- SW410 – 0.1310mt</li> </ul> </li> <li>● Consignment notes ref. no.: 2023022812NKRH8W <ul style="list-style-type: none"> <li>- SW305 – spent lubricating oil 44 (1.2 Mt)</li> </ul> </li> <li>● Domestic waste – Invoice no. 881/2022/DLS dated 31/12/2022 for disposal of domestic waste service. <ul style="list-style-type: none"> <li>- 09.12.2022 -3160 kg</li> <li>- 16.12.2022 – 3120 kg</li> <li>- 28.12.2022 – 3100kg</li> </ul> </li> </ul>	<p><b>Complied</b></p>



	<p><b>Mill</b></p> <ul style="list-style-type: none"> <li>• SW inventory: AS.C31/152/000/013 reported on 15 JUN 2022:             <ul style="list-style-type: none"> <li>- SW305 – 0.6120mt</li> <li>- SW409 - 0.3770mt</li> <li>- SW410 – 0.0230mt</li> </ul> </li> <li>• Consignment notes ref. no.: 2022120215KBYV21</li> <li>• Domestic waste – Invoice no. 881/2022/dls dated 31/12/2022 for disposal of domestic waste service -             <ul style="list-style-type: none"> <li>- 09.12.2022 -3160 kg</li> <li>- 16.12.2022 – 3120 kg</li> <li>- 28.12.2022 – 3100kg</li> </ul> </li> </ul> <p>Recycling of crop residues / biomass i.e., EFB and POME is implemented. Management of EFB application plans and progress reports were verified to be satisfactory. Recycling bins of three different colour codes for specific recycle waste were available in the POM and were used for solid waste segregation and recycling.</p>	
<p>7.3.3 – The unit of certification does not use open fire for waste disposal.</p>	<p>Dara Lam Soon had observed the zero burning commitment as emphasized in the Environment Policy, which was endorsed by Plantation Director in 1-Sep-2022. This Policy is based on the fundamentals laid out in the Malaysian Environment Quality Act 1974 (EQA 1974) and Guidelines for the Implementation of the ASEAN Policy on Zero Burning, which Dara Lam Soon commits to adhere to.</p> <p>This Zero Burning Policy further amplifies Dara Lam Soon commitment towards zero burning practices across the estates, as part of their efforts in protecting the environment and combating haze problem. The policy also stated that Dara Lam Soon commits to comply with all applicable legislation and codes of practice.</p> <p>This was verified after site visit, which oil palm waste were stacked between the palms.</p> <p>Also, there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfill of the estate, during on-site field audit.</p>	<p><b>Complied</b></p>
<p><b>7.4 – Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</b> ToC Outcomes: Reduced pollution; Resource use minimised; Productivity optimised</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>7.4.1 – Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p>	<p>GAP for minimization of soil erosion and maintenance of soil fertility were satisfactorily implemented by proper frond stacking, EFB and fertilizer application. Soil sampling and leaf sampling records were based on the Agronomist report, which provided the basis and recommendations for annual fertilizer application. Latest Agronomist report dated 17 Feb 2023 was verified. Annual fertilizer inputs based on the Agronomist recommendations were implemented and the application of fertilisers are monitored via annual and monthly manuring programme reviewed by Estate Manager and Assistants.</p> <p>The records for types and quantities of fertilizers applied were verified to be accurately monitored and updated.</p>	<p><b>Complied</b></p>



	<p>Proper herbicide spraying had also been conducted in the records maintained and verified during on-site sampling at the estates.</p> <p>Agronomist report dated 17 Feb 2023 was sighted, which includes leaf analysis result, soil analysis result, 12-month fertilizer recommendation, frequency and methods of fertilizer application, etc.</p>	
7.4.2 – Periodic tissue and soil sampling are carried out to monitor and manage changes in soil fertility and plant health.	<p>Leaf sampling and analysis were carried out annually while for soil sampling and analysis were carried out on a 5-year cycle to determine the nutrient levels and deficiency. Evidence of periodic tissue foliar and soil analysis to monitor the changes in nutrient status was available and presented in the report dated on 17 Feb 2023. Among perimeter analysed for the foliar sampling are ASH, N, P, K, Ca, Mg, B (ppm). Whereas for soil analysis, among elements analysed are pH in water (2.5), Org. C (%), N (%), C/N, Exchangeable Cation (K, Ca, Mg), etc.</p> <p>Based on the analysis conducted, recommendations for rounds of fertilizer applications needed for each identified estate field blocks to sustain the long-term soil fertility and nutrient efficiency has been spelt out by the Agronomist in the report.</p> <p>Records of the sampling and analysis had been verified to be satisfactorily maintained.</p>	<b>Complied</b>
7.4.3 – A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.	<p>All the EFB from the POM is delivered to the estates as evidenced by the “Daily/Monthly Summary Report of EFB” maintained by the POM.</p> <p>The agronomist will recommend the EFB Application (rate &amp; area) especially in the low-yield area. In addition, the estate is using solid POME as an organic fertilizer supplied by the mill as part of nutrient recycling strategy.</p> <p>EFB Application Plan and field maps indicate the targeted amounts and locations of EFB application in the estate. Records of EFB delivery, mulching quantities, and field locations were well maintained. EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms.</p> <p>Based on the records total application for year 2022 was 6,118.18 MT for EFB and 1,358.03 MT for POME.</p>	<b>Complied</b>
7.4.4 – Records of fertiliser inputs are maintained.	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by the Agronomist of Applied Agriculture Resources Sdn Bhd.</p> <p>Fertilizer application at the estate fields had adhered to the recommendations as sighted in the records of fertilizer application and manuring costing book updated on a daily and monthly basis. Among others, the book has tabulated volume per hectare, type of fertilizer use, date, etc.</p>	<b>Complied</b>
<p><b>7.5 – Practices minimise and control erosion and degradation of soils.</b></p> <p>ToC Outcomes: Ecosystems protected; Reduced pollution; Productivity optimised</p>		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
7.5.1 – (C) Maps identifying marginal and fragile soils, including steep terrain, are available.	<p>Maps identifying marginal and fragile soils, including steep terrain in the report of Soils of Dara Lam Soon Estate (North &amp; South) by Param Agricultural Soil Surveys (M) Sdn Bhd, which was reported in Feb-2017. Soil series identified at the estate are soils developed over acid igneous rocks (Rengam, Tai Tak, Beserah and Baling), soil</p>	<b>Complied</b>





	developed over metamorphic and sedimentary rocks (Batang Merbau, Bungor), soils developed over pediments and reworked lateritic soils (Padang Besar, Batu Lapan, Malacca, Gajah Mati, Terap), and soils developed over sub-recent alluvium (Tawar, Tebok, Bukit Tuku, Rasau, Karamatoi, Lunas, Kampung Pusu, Jelutong), soils developed over organic deposits (Erong)	
7.5.2 – No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.	Planting terraces constructed on land with slope more than 6°. Records and maps on terraces constructed had been verified on the estate. Best Management Practices followed to control and minimize soil erosion and degradation during replanting or any activities involving earth disturbance. Steps taken for erosion control are soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways. There was no soil erosion noted during the visit. Leguminous cover crops such as <i>Pueraria javanica</i> (PJ), <i>Calopogonium mucunoides</i> (CM), and <i>Calopogonium caeruleum</i> (CC) was well established.	<b>Complied</b>
7.5.3 – There is no new planting of oil palm on steep terrain.	Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within the Sungei Merba Estate. The existing estate are maintaining the planted (productive and non-productive) area by practicing replanting method. Therefore, there is no new planting of oil palm on steep terrain practice by the estate.	<b>Complied</b>
<b>7.6 – Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</b> ToC Outcomes: Ecosystems protected; Resource use minimised; Reduced pollution		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
7.6.1 – (C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.	Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within the Sungei Merba Estate. The existing estate are maintaining the planted (productive and non-productive) area by practicing replanting method. Therefore, soil surveys and used the topographic information for site planning in the establishment of new plantings are not necessary to be assessed.	<b>Complied</b>
7.6.2 – Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.	Based on the soil maps and field visit verification, there was no fragile soil or marginal soil existence on the estates. Maps identifying marginal and fragile soils, including steep terrain in the report of Soils of Dara Lam Soon Estate (North & South) by Param Agricultural Soil Surveys (M) Sdn Bhd, which was reported in Feb-2017. Soil series identified at the estate are soils developed over acid igneous rocks (Rengam, Tai Tak, Beserah and Baling), soil developed over metamorphic and sedimentary rocks (Batang Merbau, Bungor), soils developed over pediments and reworked lateritic soils (Padang Besar, Batu Lapan, Malacca, Gajah Mati, Terap), and soils developed over sub-recent alluvium (Tawar, Tebok, Bukit Tuku, Rasau, Karamatoi, Lunas, Kampung Pusu, Jelutong), soils developed over organic deposits (Erong).	<b>Complied</b>



<p>7.6.3 - Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads, and other infrastructure.</p>	<p>Based on observations, documentation review and interview with management, local communities, and neighbouring stakeholders, it was verified that there is no occurrence of any new planting within Sungei Merba Estate. The existing estate are maintaining the planted (productive and non-productive) area by practicing replanting method. Therefore, soil surveys and used the topographic information for site planning in the establishment of new plantings are not necessary to be assessed.</p>	<p><b>Complied</b></p>
<p><b>7.7 – No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.</b> ToC Outcomes: Ecosystems protected; Reduced pollution; Productivity optimised</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>7.7.1 – (C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p>	<p>From site visit, agronomist report, soil map, observations, and documentation review, it is confirmed that there is no peat soil and no new planting activities at the estate audited. Thus, this indicator is not applicable to this UoC.</p>	<p><b>Not Applicable</b></p>
<p>7.7.2 – Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p><b>PROCEDURAL NOTE:</b> Maps and other documentation of peat soils are provided, prepared, and shared in line with RSPO Peatland Working Group (PLWG) audit guidance.</p>	<p>From site visit, agronomist report, soil map, observations, and documentation review, it is confirmed that there is no peat soil and no new planting activities at the estate audited. Thus, this indicator is not applicable to this UoC.</p>	<p><b>Not Applicable</b></p>
<p>7.7.3 – (C) Subsidence of peat is monitored, documented and minimised.</p>	<p>From site visit, agronomist report, soil map, observations, and documentation review, it is confirmed that there is no peat soil and no new planting activities at the estate audited. Thus, this indicator is not applicable to this UoC.</p>	<p><b>Not Applicable</b></p>
<p>7.7.4 – (C) A documented water and ground cover management programme is in place.</p>	<p>From site visit, agronomist report, soil map, observations, and documentation review, it is confirmed that there is no peat soil and no new planting activities at the estate audited. Thus, this indicator is not applicable to this UoC.</p>	<p><b>Not Applicable</b></p>
<p>7.7.5 – (C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial</p>	<p>From site visit, agronomist report, soil map, observations, and documentation review, it is confirmed that there is no peat soil and no new planting activities at the estate audited. Thus, this indicator is not applicable to this UoC.</p>	<p><b>Not Applicable</b></p>



implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.		
7.7.6 – (C) All existing plantings on peat are managed according to the ‘RSPO Manual on Best Management Practices (BMPs) for Existing Oil Palm Cultivation on Peat’, version 2 (2019) and associated audit guidance.	From site visit, agronomist report, soil map, observations, and documentation review, it is confirmed that there is no peat soil and no new planting activities at the estate audited. Thus, this indicator is not applicable to this UoC.	<b>Not Applicable</b>
7.7.7 – (C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as “peatland conservation areas”; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the ‘RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat’, version 2 (2019) and associated audit guidance.	From site visit, agronomist report, soil map, observations, and documentation review, it is confirmed that there is no peat soil and no new planting activities at the estate audited. Thus, this indicator is not applicable to this UoC.	<b>Not Applicable</b>
<b>7.8 – Practices maintain the quality and availability of surface and groundwater.</b> ToC Outcomes: Ecosystems protected; Reduced pollution; Resource use minimised		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
7.8.1 – A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following: a. The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities. b. Workers have adequate access to clean water.	Water Management Plan was established and has spelt out the followings: <ul style="list-style-type: none"> <li>● Domestic water test</li> <li>● Allied chemist report</li> <li>● Water usage</li> <li>● Water processing usage</li> <li>● Flowmeter for water supply</li> <li>● Summary of rainfall</li> <li>● Action plan to reduce freshwater usage</li> <li>● Identification &amp; management of wastewater</li> <li>● Water Management Plan for Orang Asli – Kg. Terubin</li> <li>● ‘Keputusan Analisis Mutu Air Minum’</li> </ul> <p>The water management plan had identified the water sources, action plans to ensuring the consistent supply and quality of water, and maintenance of the supply base or sources. The UoC is solely responsible and taking all the necessary measures to protect and maintain or improve the water sources and it is ongoing. Visit to site confirmed the action plan is being implemented accordingly.</p> <p>Under ‘Water Management Plan for Orang Asli – Kg Terubin, the operating unit has addressed the accessibility and monitoring of the clean water quality and the potential pollution aspect.</p> <p>All workers were provided with adequate water supplies sourced from nearby water catchment reservoir maintained by the mill. The raw water extracted from the reservoir are treated by the mill prior to supplying to the workers housing. The application to the Labour Department Pahang to use self-treated water for domestic consumption sighted in ‘Permohonan Permit Mengguna Air Persendirian Untuk Ladang Dara Lam Soon Sdn Bhd’ dated 15 June 2021.</p>	<b>OBS #</b> <b>20230309-05</b> <b>(Observation)</b>



	<p>Water sampling analysis for domestic consumption was conducted as evident in 'Keputusan Analisis Mutu Air Minum from KKM Pekan, Pahang -Ref. No: Bil (13) dlm. PKD/PKN:100-13/3 (1) Sj.4 dated 17 Oct 2022. Results from the analysis shows that the treated water supplied is suitable for drinking.</p> <p><b>As of to date, the progress of acquiring permit from Jabatan Tenaga Kerja is still on going. Observation is raised to monitor the progress during the next surveillance audit.</b></p>	
<p>7.8.2 – (C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).</p>	<p>At the estates, water sources and courses were identified in a map. The water courses were protected with the demarcation of riparian zones. These zones were marked with yellow paint mark on the palm along the water courses and identified on the ground. Activities such as chemical spraying and fertiliser application were barred from being applied to these identified areas to promote the growth of natural vegetation. Signage prohibiting the spraying of chemical around the riparian zones was erected. Training was also provided to workers in identifying those riparian areas.</p> <p>Guideline on the protection of riparian/buffer zone and the monitoring of river water quality was available for the guidance and it has been implemented satisfactorily.</p>	<b>Complied</b>
<p>7.8.3 – Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p>	<p>Dara Lam Soon Sdn Bhd has established 'Identification &amp; Management Wastewater' and 'Waste Management and Disposal Plan' to avoid or reduce pollution as well to ensure the compliance with national regulation. The mill is operating based on the License No. 004151 in which the mill has to comply with the specific licence requirement Ref. No.: JAS.CHQ 600-3/1/2/39(45).</p> <p>Monitoring and reporting of the significant pollutants to water and contamination on land are in place. Mill effluent, POME treatment and land application is monitored, maintained, and adhered to DOE regulations. Data was presented and made available during the audit. Records are maintained and verified on-site to have met the permissible regulatory limits.</p> <p>Monthly reporting to DOE was also done and record documented and made available during audit. The report contained information such as data on the production and discharge of effluent, release of black smoke, Schedule waste inventory and disposal of the EFB to the plantations. In addition, quarterly report was also submitted to the DOE for the monitoring purposes.</p> <p>BOD analysis was also conducted on a monthly basis and records are maintained and verified on-site to have met the permissible regulatory limits. For the mill, the average BOD reading for year 2022 has always been less than 20 ppm (allowed 100 ppm). Latest test conducted in 16-Jan-23 recorded a reading of 19mg/l.</p>	<b>Complied</b>
<p>7.8.4 – Mill water use per tonne of FFB is monitored and recorded.</p>	<p>Water usage for the processing of palm oil is being monitored and recorded constantly as sighted in 'Water Processing Usage Record'. The data is tabulated daily and also monthly. Samples of the water usage recorded reading are as follows:</p>	<b>Complied</b>



Month	Total Water Processing (m3)	Ratio (m3/FFBmt)
Jan	8,648.00	0.94
Feb	4,111.00	0.58
Mar	8,381.00	1.04
<b>Total</b>	<b>90,030.00 (12 month)</b>	<b>0.83</b>

Comparison also made on usage of water for the previous year.

**7.9 – Efficiency of fossil fuel use and the use of renewable energy is optimised.**

ToC Outcomes: Ecosystems protected; Reduced pollution; Resource use minimised

INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE												
7.9.1 – A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored, and documented.	<p>Environment Management Plan / Improvement Plan and Environmental Aspect Identification has been established by Dara Lam Soon UOC to optimize and monitor the efficient use of fossil fuel and renewable energy.</p> <p>The estates and mill record and monitor the diesel utilization over the running hours of gen-set and other vehicles running. Performance variation in view of several factors i.e. Infrastructure of estates, Community size / no of gen-sets, No. of vehicles / age of machine, Weather interference / crop production volume, etc.</p> <p>Renewable energy usage &amp; diesel consumption 2022 was established and monitored by monthly basis. Among others effort to reduce diesel usage includes the following:</p> <ul style="list-style-type: none"> <li>• By maintenance of the boiler &amp; machinery to ensure at optimum level,</li> <li>• to monitor diesel usage,</li> <li>• provide training to workers regarding reduce fuel and diesel usage for boiler.</li> </ul> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity is generated through steam turbine and boiler where palm fibre and PK shells were used as renewable energy/fuel. In addition, the palm oil mill is harnessing the biogas produced by the Methane Capture facility in the mill. Record for Biogas Plant Daily Meter Reading was evident, and samples of the biogas produced as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Inlet Flow (m3)</th> <th>Gas Flow (m3)</th> </tr> </thead> <tbody> <tr> <td>Dec-22</td> <td>666</td> <td>66,616</td> </tr> <tr> <td>Jan-23</td> <td>767</td> <td>89,486</td> </tr> <tr> <td>Feb-23</td> <td>868</td> <td>55,437</td> </tr> </tbody> </table> <p>Most of the diesel usage are used for machineries in the estate’s operation. As for electricity, estate visited are using electricity supplied by the Palm Oil Mill.</p> <p>Records on the usage of non-renewable energy for machineries involved in the estate’s operations were maintained and available. Monthly records on energy consumption, i.e., diesel both for own machinery, transport &amp; field operations including the diesel usage provided to contractors for estate road maintenance, FFB and EFB transportation were monitored and maintained at the estate’s offices. Data is being compiled for comparison and monitored to optimize efficiency on the use of non-renewable energy. Records maintained had</p>	Month	Inlet Flow (m3)	Gas Flow (m3)	Dec-22	666	66,616	Jan-23	767	89,486	Feb-23	868	55,437	<b>Complied</b>
Month	Inlet Flow (m3)	Gas Flow (m3)												
Dec-22	666	66,616												
Jan-23	767	89,486												
Feb-23	868	55,437												



	<p>showed proper control of the fuel usage. Usage trend was recorded in Summary of 5 Years Diesel Usage (2018 – 2022) as shown below:</p> <ul style="list-style-type: none"> <li>● 2018 – 4.29 litre/Mt</li> <li>● 2019 – 3.00 litre/Mt</li> <li>● 2020 – 3.22 litre/Mt</li> <li>● 2021 – 3.43 litre/Mt</li> <li>● 2022 – 4.93 litre/Mt</li> </ul> <p>Non-renewable energy and renewable energy monitoring and usage trend were discussed during management review meeting. As for the latest discussion, usage baseline value was set at 3.77 litre/ Mt.</p>	
<p><b>7.10 – Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented, and monitored and new developments are designed to minimise GHG emissions.</b> ToC Outcomes: Reduced Pollution</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>7.10.1 – (C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator, and publicly reported.</p>	<p>GHG emissions were identified such as POME, diesel / fuel and fertilizer usage. Their production and usage have been recorded and documented at both the POM and estate. Conservation areas were also identified, and data considered for GHG calculation.</p> <p>Correct data was used and entered the formula. GHG report calculation has also been tabulated and calculated. The data considered in the calculation of the GHG was correct and relevant. Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. All the management plan including palm GHG calculation was made publicly available upon request.</p> <p>Regular reporting to the DOE was also conducted monthly, quarterly, and yearly, on environmental parameters as required by the DOE and as stipulated in their mill license.</p> <p>Plan to reduce and minimise the emissions were implemented whereby regular testing and data collection being carried out in accordance with the requirement of the Department of Environment.</p> <p>Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelmann Smoke Chart. Report showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the on-site visit to the POM.</p> <p>POME treatment, monitoring and land application is monitored, maintained, and adhered to DOE regulations.</p>	<p><b>Complied</b></p>
<p>7.10.2 – (C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p>	<p>No new development taking place since 2014.</p>	<p><b>Complied</b></p>



<p>7.10.3 – (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p>	<p>The Environmental Impact and Aspect Assessment and Pollution Prevention Plan have been utilized to identify the various sources of GHG emissions, including land conversion, crop sequestration, fertilizers, N2O emissions from fertilizers, fuel consumption, and peat oxidation. To address and minimize these emissions, Dara Lam Soon POM &amp; Estates Grouping has implemented plans and strategies. Specifically, they have constructed a Biogas Plant to capture methane gas generated from the Effluent Treatment Plant. This captured methane gas is then utilized in a biogas engine to generate electricity for both the mill and domestic use. The Biogas Plant has been in operation since January 2019. This initiative showcases Dara Lam Soon POM &amp; Estates Grouping's commitment to reducing GHG emissions and utilizing renewable energy sources to meet their energy needs. By capturing methane gas and converting it into electricity, they are effectively reducing their carbon footprint and contributing to environmental sustainability.</p>	<p><b>Complied</b></p>
<p><b>7.11 – Fire is not used for preparing land and is prevented in the managed area.</b> ToC Outcomes: Ecosystems protected; Reduced pollution</p>		
INDICATORS	FINDINGS AND OBJECTIVE EVIDENCE	COMPLIANCE
<p>7.11.1 – (C) Land for new planting or replanting is not prepared by burning.</p>	<p>During the audit, it was observed, reviewed, and confirmed through interviews with management, local communities, and neighboring stakeholders that there have been no instances of new planting within Sungei Merba Estate. The estate has been focused on maintaining the existing planted areas, both productive and non-productive, through the practice of replanting. It was also found that the most recent replanting activity conducted by the estate took place in 2015. However, during the site visit, no traces of burning for land preparation associated with replanting activities were observed. These findings indicate that Sungei Merba Estate has been following sustainable practices by avoiding the use of burning for land preparation during replanting activities. The estate's commitment to responsible land management contributes to the preservation of the environment and supports sustainable agricultural practices.</p>	<p><b>Complied</b></p>
<p>7.11.2 – The unit of certification establishes fire prevention and control measures for the areas under its direct management.</p>	<p>Dara Lam Soon POM &amp; Estates Grouping has demonstrated its commitment to fire prevention and control measures for the areas under its direct management. The organization has established accident and emergency procedures in adherence to the "Emergency Response Plan 2022" policy. Each estate and mill within the UoC have developed standard procedures to address emergency situations. The organization has also formed an Emergency Response Plan (ERP) team to effectively handle and respond to identified incidents. The ERP team's organization chart is established and displayed, providing important information to employees. Additionally, the ERP team has provided contact numbers for emergency situations. To support fire prevention efforts, Dara Lam Soon POM &amp; Estates Grouping has equipped its facilities with essential</p>	<p><b>Complied</b></p>



	<p>equipment such as water pumps, water tank lorries, and fire extinguishers. These resources contribute to the organization's readiness to address fire-related emergencies and mitigate their potential impact.</p> <p>By implementing these measures, Dara Lam Soon POM &amp; Estates Grouping aims to ensure the safety and well-being of its employees, protect its assets, and prevent the occurrence and spread of fires within its operational areas.</p>	
<p>7.11.3 – The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p>	<p>Dara Lam Soon POM &amp; Estates Grouping recognizes the importance of collaboration and cooperation with relevant stakeholders, including the nearest Fire Department, to enhance fire prevention and control measures. The organization liaises and cooperates with the Fire Department to develop and implement effective strategies in addressing fire risks.</p> <p>As part of their stakeholder engagement efforts, the UoC conducts stakeholder meetings at least once a year. During these meetings, the organization communicates its fire prevention and control measures, including the collaboration with the Fire Department. This allows for information sharing, feedback, and the opportunity to align efforts with local authorities and stakeholders.</p> <p>By involving the Fire Department and engaging with stakeholders, Dara Lam Soon POM &amp; Estates Grouping aims to foster a collaborative approach to fire prevention and control, ensuring the best practices are followed and emergency response measures are coordinated effectively. This proactive engagement helps to enhance the overall fire safety measures and contributes to the protection of both the organization's assets and the surrounding communities.</p>	<p><b>Complied</b></p>
<p><b>7.12 – Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.</b></p> <p>ToC Outcomes: Ecosystems protected</p>		
<b>INDICATORS</b>	<b>FINDINGS AND OBJECTIVE EVIDENCE</b>	<b>COMPLIANCE</b>
<p>7.12.1 – (C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p>	<p>Based on the information provided, it is verified that no new clearing has been conducted on additional land, primary forest, or areas identified as High Conservation Value (HCV) since the initial planting at Dara Lam Soon POM &amp; Estates Grouping. The organization has adhered to the designated planting areas and has not expanded or cleared any new land for planting purposes.</p> <p>Furthermore, it has been confirmed that no new planting activities have taken place since November 2018. This indicates that the UoC has maintained its existing planted areas and has not initiated any new planting activities beyond that timeframe.</p> <p>By refraining from new clearing and adhering to designated areas, the UoC demonstrates its commitment to environmental preservation and sustainable practices. This approach helps to minimize the impact on primary forests and HCV areas, contributing to the conservation of biodiversity and ecosystem integrity.</p>	<p><b>Complied</b></p>





<p>7.12.2 – (C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>a. For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p>	<p>HCV assessment was conducted by internally on 5 – 25 Sept 2017. No new land clearing will be conducted after 2018. This assessment is still valid. The overall landscape surrounding the UoC had been considered in the HCV assessment reports. The HCV reports consists of Dara Lam Soon – Sungei Merba Estate.</p> <p>The exercise has also taken into consideration all aspects of environmentally sensitive areas such as streams, steep hills, forested areas, and wildlife boundaries and was documented. Based on the report, there was no HCV</p> <p>Visits to the site confirmed that they were surrounded by other palm oil estates belonging to others, smallholders and some borders with state land. Sighted the letter dated 15/2/2018 for the clarification on Ibam Forest Reserve and company land (Lot 4216 and 4221), by Forest Department, Rompin.</p> <p>Perimeter boundaries bordering the plantation areas were well demarcated. Monitoring of all these areas had been effectively implemented.</p> <p>Conservation areas/environmentally sensitive areas i.e., buffer zones along the stretches of streams which pass through the estates had been identified and being monitored.</p>	<p><b>Complied</b></p>
<p>b. Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p><b>PROCEDURAL NOTE:</b> for 7.12.2, requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p>	<p>There is no new clearing in the existing plantation being carried out after 15 November 2018.</p> <p>This is not applicable to this unit.</p>	<p><b>Not Applicable</b></p>
<p>7.12.3 – <i>Indicator is not applicable in Malaysia context.</i></p>	<p>This Indicator is not applicable in Malaysia context. Thus, this is not applicable to this unit.</p>	<p><b>Not Applicable</b></p>
<p>7.12.4 – (C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented, and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level</p>	<p>That's great to hear. It shows that the unit has proactively identified High Conservation Values (HCVs) within and surrounding its area and has developed a management plan to maintain and enhance their presence.</p> <p>The inclusion of a riparian zone of 5-20 meters along the stream demonstrates the commitment to protecting water resources and maintaining the ecological integrity of the area. This riparian zone serves as a buffer and helps prevent potential contamination from chemical spraying or fertilizing activities.</p> <p>The fact that the management plan was developed in consultation with the relevant authority indicates a collaborative approach and compliance with the requirements set by the concerned agencies. This ensures that the unit's activities align with the regulations and guidelines put in place to protect and conserve the environment.</p>	<p><b>Complied</b></p>



<p>considerations (where these are identified).</p>	<p>The placement of signages at strategic locations around the area further reinforces the commitment to environmental protection. These signages serve as reminders and guidance for workers to avoid chemical spraying or fertilizing activities near sensitive areas. Overall, these measures demonstrate a responsible and environmentally conscious approach in managing the unit's operations and safeguarding the identified HCVs.</p>	
<p>7.12.5 – Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p>	<p>This area has been mapped and the land use rights are not disputed.</p>	<p><b>Complied</b></p>
<p>7.12.6 – All rare, threatened, or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p>	<p>A policy is in place to protect the environment, HCV management and protection of RTE species. This is spelt out in their sustainability policy dated 1/9/2022. The overall management plan on the status of HCV/RTE of the plantation group was collated and monitored by the relevant units and in consultation with other stakeholders, especially the Forestry and Wildlife Departments and the community. Management plans were established, and on-going monitoring is conducted by the estate personnel and also Auxiliary patrols. Regular patrols within the POM and estates were being carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer/riparian zone areas. The patrol logbooks include entries such as any sighting of wildlife, no erosion at the banks of the streams, no sign of spraying or manuring within the buffer zone, condition of sign boards, yellow marking at oil palm trees demarcating the buffer zone and condition of riverbank soft vegetation. There was also evidence of commitment to discourage any illegal or inappropriate hunting, fishing, or collecting activities. Also, signage that prohibit hunting, fishing and water polluting activities were verified on-site at estate and found to have been satisfactorily maintained. Monitoring and control of any illegal hunting, fishing, or collecting activities was also carried out by the patrolling activities conducted. The UoC had conducted a program to educate the workforce and community about the status of RTE species and the consequences in accordance with company rules and national laws of any infringement. Training was also conducted in relation to this issue such as buffer zone training on 6/9/2022 and also HCV training on 21/3/2022 to the workers.</p>	<p><b>Complied</b></p>



<p>7.12.7 – The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p>	<p>It's commendable that the management plan includes ongoing monitoring of environmentally sensitive areas, including steep slopes, swampy areas, and Rare, Threatened, and Endangered (RTE) species within the plantation. This demonstrates a proactive approach to conservation and environmental management.</p> <p>By monitoring these areas, any unwanted incidences or occurrences of RTE species can be promptly reported and documented. This allows for timely action to be taken to address any potential impacts on these species and their habitats.</p> <p>The availability of reports on the occurrence of wildlife species encountered in the estates during the audit further indicates a commitment to transparency and accountability in environmental monitoring.</p> <p>Collating, reviewing, and monitoring the status of HCV/ RTE areas across each estate provides valuable information for assessing the effectiveness of conservation efforts and identifying areas that may require additional attention or management actions.</p> <p>Conducting annual analyses of RTE monitoring and reflecting the findings in the action plan demonstrates a commitment to adaptive management and continuous improvement.</p> <p>Overall, these practices contribute to a more comprehensive understanding of the environmental status and conservation needs within the plantation, facilitating informed decision-making and targeted conservation actions.</p>	<p><b>Complied</b></p>
<p>7.12.8 – (C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.</p>	<p>Since November 2005 till date, there has been no land clearing done. As such RaCP is not applicable to this unit.</p>	<p><b>Not Applicable</b></p>

**See Summary of Net GHG Emissions submitted by the POM in the Tables below.**

Based on the details provided in the record of submission, it is also verified that there is no potential liability under the RSPO Remediation and Compensation Procedure at this UoC.

**SUMMARY OF NET GHG EMISSIONS**

All information and data below as per the latest summary report generated through **PalmGHG Calculator Version 4.0**.

**GHG Table 1: Summary of Net GHG Emissions:**

Emissions per Product	tCO2e/t Product
CPO	0.17
PK	0.17

Production	t/year
FFB Processed	107,979.27
CPO Produced	21,219.98
PK Produced	6,073.20

Extraction	%
OER	19.65
KER	5.62



**GHG Table 2: Summary of Net GHG Emissions**

Land Use	Ha
OP Planted on Mineral Soil	4,099.00
OP Planted on Peat	0.00
<b>OP Planted Area</b>	<b>4,099.00</b>
Conservation (Forested)	0.00
Conservation (Non-Forested)	21.00
<b>Total</b>	<b>4,120.00</b>

**GHG Table 3: Summary of Field Emissions and Sinks**

Description	Own			Group			3 <sup>rd</sup> Party			Total
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	
<b>Emission Source</b>										
Land Conversion	40484.30	9.88	0.37	0.00	0.00	0.00	0.00	0.00	0.00	<b>40484.30</b>
CO <sub>2</sub> Emissions from Fertiliser	3303.37	0.81	0.03	0.00	0.00	0.00	0.00	0.00	0.00	<b>3303.37</b>
N <sub>2</sub> O Emissions from Peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
N <sub>2</sub> O Emissions from Fertiliser	2630.95	0.02	0.77	0.00	0.00	0.00	0.00	0.00	0.00	<b>2630.95</b>
Fuel Consumption	648.30	0.01	0.04	0.00	0.00	0.00	0.00	0.00	0.00	<b>648.30</b>
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Sinks</b>										
Crop Sequestration	-38205.22	-9.32	-0.35	0.00	0.00	0.00	0.00	0.00	0.00	<b>-38205.22</b>
Conservation Sequestration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total:</b>	<b>8861.70</b>	<b>2.16</b>	<b>0.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>51,022.46</b>	<b>0.00</b>	<b>0.00</b>	<b>8861.70</b>

**GHG Table 4a: Summary of Mill Emissions and Credits**

	tCO <sub>2</sub> e	tCo <sub>2</sub> e/t FFB
<b>Emissions Sources</b>		
POME	2888.79	0.03
Fuel Consumption	326.13	0.00
Grid Electricity Utilisation	0.00	0.00
<b>Credits</b>		
Export of Excess Electricity to Grid and Housing	0.00	0.00
Sales of PKS	-7344.04	-0.07
Sales of EFB	0.00	0.00
<b>Total</b>	<b>-4129.12</b>	<b>-0.04</b>

**GHG Table 4b: Palm Oil Mill Effluent (POME) Treatment**

Divert To Compost	0.00%
Divert To Anaerobic Digestion	100.00%

**GHG Table 4c: POME Diverted to Anaerobic Digestion**

Divert To Anaerobic Pond	0.00%
Divert To Methane Capture (Flaring)	100.00%
Divert To Methane Capture (Electricity Generation)	0.00%

### 3.1.1 Status on Supply Chain on POM

Based on the documents and records presented during the on-site verifications made, it is concluded that the POM has been able to comply with the **Supply Chain Requirements for Mills of the RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO P&C 2018)**, under the Mass Balance (MB) Module and is thus eligible for Identity Preserved (IP) trading for its palm products.



### 3.2 Status of Identified Noncompliance and Corrective Actions, Observations and Positive Elements

The status of the Non-Compliances (NC) and Observations (OBS) identified against the **RSPO Principles and Criteria (P&C 2018)**, and **Malaysian National Interpretation (MY-NI 2019)** Indicators is as per the details below:

Audit Type	Year	NC		OBS	Follow up status
		Major	Minor		
Annual Surveillance Audit (ASA-04)	2023	0	2	5	<ul style="list-style-type: none"> <li>No Major NC raise during the Recertification Audit (2023) was conducted.</li> <li>The CAPs for 2 Minor NCs were accepted on 03-Apr-2023. The implementation of the corrective actions shall be verified during the next Annual Surveillance Audit (ASA-01).</li> <li>5 Observations were raised during this audit, which will be follow-up during the next Annual Surveillance Audit (ASA-01).</li> </ul>
Annual Surveillance Audit (ASA-04) <i>* Conducted by SIRIM QAS International Sdn Bhd</i>	2022	2	1	0	<ul style="list-style-type: none"> <li>2 Major NCs were closed by the previous CB. No similar non-compliance found during the Recertification Audit (2023). Thus, Major NCs raised during ASA-04 (2022) are remained close.</li> <li>The CAP for 1 Minor NC was accepted by the previous CB. The implementation of the corrective actions found to be sufficient and effective, and implemented accordingly during the Recertification Audit (2023). Thus, Minor NCs raised during ASA-04 (2022) are close.</li> </ul>

#### 3.2.1 Year 2023 – Recertification Audit (RA-01): 0 Major NC

#### 3.2.2 Year 2022 – Recertification Audit (RA-01): 2 Minor NCs

Details of Non-Conformance (NC)	
<b>Non-Conformance #: 20230309-N1 (Minor)</b>	<b>Date Issued: 09 March 2023</b>
<b>RSPO P&amp;C Indicator Requirement: 4.2.4</b>	
The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.	
<b>Statement of Non-Conformance:</b>	
Established documented system is incomplete.	
<b>Evidence of Non-Conformance:</b>	
The management of Dara-Lam Soon POM & Estate Grouping has established a document titled Consultation and Grievances Communication Procedure – Internal/ External as a documented system for dealing with complaints and grievances. However, the documented system did not include the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.	
<b>Root Cause Analysis, and Corrective Action(s) by Auditee Representative</b>	
<b>Root Cause Analysis (RCA):</b>	
The company's established conflict resolution mechanism does not currently include provisions for accessing independent legal and technical advice, nor does it provide the option to select an observer or mediator.	
<b>Corrective Actions:</b>	
(1) To ensure adherence to ethical practices, a conflict resolution mechanism will be developed to include the following essential components:	



- Provision for accessing independent legal or technical advice.
- Provision for accessing support from a choice of options such as individuals, groups, or non-governmental organizations (NGOs).
- Provision for appointing a third-party mediator of their own choosing.

(2) All stakeholders will be briefed of the conflict resolution mechanism that has been established.

**Corrective Action Implementation Timeline:** February 2024

**Verification on Corrective Action(s): by Lead Auditor / Auditor**

The CAPs were accepted on 03-Apr-2023. The effective implementation of the corrective actions will be verified during next audit (ASA-01). Status "Open".

**Conclusion:**

**Non-Conformance Status Closed by Auditor:**

**Date Closed:**

**Verification of Effectiveness:**

**Non-Conformance Status Verified by Auditor:**

**Date Verified:**

#### Details of Non-Conformance (NC)

**Non-Conformance #: 20230309-N2 (Minor)**

**Date Issued: 09 March 2023**

**RSPO P&C Indicator Requirement: 6.4.1**

A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.

**Statement of Non-Conformance:**

No formal policy for child remediation programme.

**Evidence of Non-Conformance:**

Dara-Lam Soon POM & Estate Grouping are implementing "Child Protection Policy", established on 20-Jan-2020. Evident from records review and interviews conducted that the policy has communicated to the workers, contractors, and service providers. Although there is no child labour issue at Dara-Lam Soon POM & Estate Grouping (as per site visit, desktop study, records review and interview conducted), the child remediation programme should be established and included into the service contracts and supplier agreements.

**Root Cause Analysis, Correction(s), and Corrective Action(s) by Auditee Representative**

**Root Cause Analysis (RCA):**

The child remediation program was not developed as there were no instances of child labour issues at the UoC.

**Corrective Action(s):**

- (1) To ensure appropriate measures are in place for managing any potential instances of child labour, a child remediation system document will be established.
- (2) The established procedure will be extended to contractors through briefing and/or training sessions.
- (3) The child remediation system document that has been established will undergo an annual review.

**Corrective Action Implementation Timeline:** February 2024

**Verification on Corrective Action(s): by Lead Auditor / Auditor**

The CAPs were accepted on 03-Apr-2023. The effective implementation of the corrective actions will be verified during next audit (ASA-01). Status "Open".

**Conclusion:**

**Non-Conformance Status Closed by Auditor:**

**Date Closed:**

**Verification of Effectiveness:**

**Non-Conformance Status Verified by Auditor:**

**Date Verified:**



### 3.2.3 Year 2023 – Recertification Audit (RA-01): 5 Observations

OBS #	RSPO P&C Indicator	Details of Observation	Status		
			Opened Date	Closed Date	Remark (if any)
20230309-01	1.1.2	Documents used for the dissemination of information should be updated to current period so as to ensure it is still in force and for uniform implementation.	09-Mar-2022	–	Next Audit.
20230309-02	2.2.2	The process of due diligence on engaged contractors could be further enhance as to ensure that they are meeting all the applicable legal and RSPO requirements.	09-Mar-2022	–	Next Audit.
20230309-03	6.2.2	The terms and condition related to Personal Protective Equipment and repatriation in the employment contract could be further improved.	09-Mar-2022	–	Next Audit.
20230309-04	6.6.1	The due diligence on the recruitment fee for the new joiners could be further enhance.	09-Mar-2022	–	Next Audit.
20230309-05	7.8.1	As to date, the progress of acquiring permit from Jabatan Tenaga Kerja for “Permit Mengguna Air Persendirian” is ongoing. Observation is raised to monitor the progress during next audit.	09-Mar-2022	–	Next Audit.

### 3.2.4 Year 2022 – Annual Surveillance Audit (ASA-04): 2 Major NCs

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Root Cause & Corrective Action Taken by the CU	Verification Statement by Auditors	Verification of Effectiveness
3.3.1	Major	Requirement: (3.3.1) Standard Operating Procedures (SOPs) for the unit of certification are in place.  Finding: Standard Operating Procedures on clinic operation was not adequate to cover on certain procedures.  Objective evidence: Based on documentation review, the SOP on clinic operation was not adequate to cover on the procedures to get the treatment at clinic and medical certificate flow.	Root cause: Early guidance of clinic management did not take into consideration the details of the worker to have proper procedure on getting treatment and medical sick leave issuance.  Corrective Action: management decide to develop new SOP on clinic operation to cover on the procedures to get the treatment at clinic and medical certificate flow.	Auditor has verified the SOP revised date 1/4/2022 on the procedures to get the treatment at clinic and medical certificate flow.  Status: CLOSED	The corrective action taken found to be sufficient and effective. It is implemented accordingly. No similar non-compliance found during the audit. Thus, the Major NC raised during Surveillance Audit (ASA-04) was remain closed.
7.2.7	Major	Requirement: .7.2.7 (C) Storage of all pesticides is in accordance with	Root cause: Inadequate ventilation and	Auditor has verified copy of the quotation dated 4/4/2022 for	The corrective action taken found to be sufficient and effective. It is



		<p>recognised best practices.</p> <p>Finding: Storage of all pesticides was not in accordance with recognised best practices.</p> <p>Objective evidence: During site visit to the chemical stores of the Dara Lam Soon Estate, smell of the chemical is very prevalent even after 5 minutes the exhaust fans was open due to the inadequate ventilation. This contravenes with Dara Lam Soon Estate SOP "Prosedur Kerja Selamat (SOP), Menyimpan dan Mengendalikan Bahan Kimia Di Dalam Stor, sebelum memasuki stor" dated 1/1/2022.</p>	<p>exhaust fan installed in the chemical store.</p> <p>Corrective Action: Immediate modification by installing more exhaust fan</p>	<p>the works of installing exhaust fan.</p> <p>Status: CLOSED</p>	<p>implemented accordingly. No similar non-compliance found during the audit. Thus, the Major NC raised during Surveillance Audit (ASA-04) was remain closed.</p>
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### 3.2.5 Year 2022 – Annual Surveillance Audit (ASA-04): 1 Minor NC

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Root Cause & Corrective Action Taken by the CU	Verification Statement by Auditors	Verification of Effectiveness
3.7.2	Minor	<p>Requirement: (3.7.2) Records of training are maintained, where appropriate on an individual basis.</p> <p>Finding: Records for certain training was not maintained.</p> <p>Objective evidence: Records for certain training was not maintained i.e., the procedures to get the treatment at clinic and medical certificate flow.</p>	<p>Root cause: Following to the NCR on indicator 3.3.1, the related training has not been conducted.</p> <p>Corrective Action: Management will conduct the related training tentatively in Jun 2022.</p>	<p>Corrective action plan accepted. The effectiveness of the corrective action plan will verify during next audit.</p> <p>Status: OPEN</p>	<p>Based on the evidences, documents, and interview with selected personnel, it can conclude that the corrective action was implemented effectively during Recertification Audit (2023) conducted. No similar non-compliance found during the recent Recertification Audit (2023) conducted. Thus, the Minor NC raised during ASA-04 (2022) is closed.</p>

### 3.2.6 Year 2022 – Annual Surveillance Audit (ASA-04): 0 Observation





### **3.2.7 Identified Positive Elements**

- (1) The UoC has provided proper infrastructure such as roads, housing and sport facilities for its workers, local residents and communities within the operational management of the UoC.
- (2) The UoC has contributed towards the local economy in providing business and employment opportunities. It has made significant economical contributions towards the socio-economic development of the local communities surrounding the UoC.
- (3) The UoC has participated in the wide stakeholder consultations and meetings held with the local authorities and communities as part of commitment to CSR activities for the region.



#### 4.0 AUDIT CONCLUSION AND RECOMMENDATION

Based on the findings above, Lam Soon Cannery Private Limited – Dara Lam Soon POM & Estates Grouping had been able to demonstrate its compliance with the **RSPO Principles and Criteria (P&C, Nov 2018)** and **Malaysian National Interpretation (MY-NI, Nov 2019)**.

Therefore, it is recommended that the recertification of Lam Soon Cannery Private Limited – Dara Lam Soon POM & Estates Grouping be approved.

Signed for and on behalf of  
Intertek Certification International Sdn Bhd

**MOHAMAD AMIRUL SAIFULLAH BIN MOHAMAD SENAN**  
Lead Auditor

Date: 14 May 2023

#### 4.1 Acknowledgement of Internal Responsibility and Confirmation of Audit Findings

This is to acknowledge and confirm the audit visits described in this report and the acceptance of the contents and findings in this audit report.

Signed for and on behalf of  
Lam Soon Cannery Private Limited – Dara Lam Soon POM & Estates Grouping

**ABDUL HAMID BIN KIMAR**  
Group Sustainability Manager

Date: 16 May 2023



#### 4.2 INTERTEK – RSPO P&C Certificate Details for The Unit of Certification

Certificate No.:	RSPO
Initial Certificate Date (SIRIM QAS):	18-May-2018
Recertification Start Date (INTERTEK):	18-May-2023
Certificate Expiry Date:	17-May-2028
RSPO PalmTrace License Start Date:	18-May-2023
RSPO PalmTrace License Expiry Date:	17-May-2024
Organization:	Lam Soon Cannery Private Limited
Address of Head Office:	Lam Soon Management Services Sdn Bhd, Level 3, Wisma DLS, No.6 Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam Selangor, Malaysia
RSPO Membership No:	2-0909-18-000-00
Unit of Certification:	Dara Lam Soon POM & Estates Grouping
Address of POM:	As per Table below
Standards:	RSPO Principles and Criteria (P&C) (November 2018); Malaysian National Interpretation (MY-NI) (Revised in July 2020)
RSPO Certification Scope:	Production of Crude Palm Oil (CPO) and Palm Kernel (PK)
Supply Chain Model of POM:	Identity Preserved (IP)

#### Details of the Mill and Supply Base covered by this certificate and the hectareage approved are:

Name of Operating Unit	Address	GPS Reference		Certified (Titled) Area (Ha.)	Total Planted Area (Ha.)
		Latitude	Longitude		
Dara Lam Soon POM (Capacity: 30 MT/hour)	<u>Postal Address:</u> Locked Mail Bag No. 4, 26700 Muadzam Shah, Pahang, Malaysia  <u>Location Address:</u> KM 92 off Jalan Kuantan – Segamat, 26700 Muadzam Shah, Pahang, Malaysia	03° 09.421' N	103° 09.818' E	–	–
Ladang Sungei Merba	<u>Postal Address:</u> Ladang Sungei Merba, P.O. Box 4, 26700 Muadzam Shah, Pahang, Malaysia  <u>Location Address:</u> KM 92 off Jalan Kuantan – Segamat, 26700 Muadzam Shah, Pahang, Malaysia	03° 09.406' N	103° 09.696' E	4,220.00	4,099.00
<b>TOTAL AREA (HECTARE):</b>				<b>4,220.00</b>	<b>4,099.00</b>

The certified tonnages available for trade under PalmTrace for the period of Jun-23 – May-24 are as follows:

Production		
<b>Total FFB Processed (MT)</b>	<b>106,700.00</b>	
<b>Total CPO Produced (MT)</b>	<b>22,950.00</b>	<b>OER: 21.50%</b>
<b>Total PK Produced (MT)</b>	<b>5,850.00</b>	<b>KER: 5.50%</b>
<b>SCCS Model for POM</b>	<b>Identity Preserved (IP)</b>	



## APPENDIX A: QUALIFICATIONS OF LEAD AUDITOR AND AUDIT TEAM

### **Mr. Mohamad Amirul Saifullah Mohamad Senan (MAS) – Lead Auditor / Team Leader / Technical Expert**

(Palm Oil Mill, GAP, Integrated Pest Management, Safety and Health, Social, and Supply Chain)

– Bachelor of Agricultural Science (UPM)

Mr. Mohamad Amirul has more than 6 years working experience in the oil palm plantation operations, agriculture, safety, and health related field. He has been attached to a large publicly listed plantation organisation since 2012. His job responsibilities include supervision and monitoring to ensure that all estate operations are complying with the RSPO, ISCC and MSPO requirements and regulations, Good Agricultural Practice, and other standard operation procedures. He was involved in the Internal Audits of plantation operations for compliance with the RSPO, ISCC and MSPO requirements. He has successfully completed RSPO Principles & Criteria Lead Auditor course and the RSPO Supply Chain Certification Lead assessor course in Jan 2019, ISO 9001:2015 Lead Auditor Quality Management Systems Training Course, Lead Auditor Training Session on Occupational Health & Safety Management System (ISO 45001:2018), and the MSPO Lead Auditor for OPMC and Supply Chain Course in 2018. He had been involved in ISO 9001, RSPO P&C, RSPO SCC, MSPO Part 3, MSPO Part 4 and MSPO SCC auditing since December 2018 within Malaysia. He has good on-field knowledge in the Palm Oil sector such as industry fundamentals on good agricultural practices (GAP), best management practices (BMP), sustainability, social and OHS issues (e.g., worker welfare issues and social matters such as employment terms, gender issues, worker welfare etc.) environmental matters (e.g., pollution control, conservation of resources). He is a qualified Lead Auditor for the RSPO P&C, RSPO Supply Chain, ISCC EU & PLUS, MSPO OPMC, and MSPO Supply Chain certification audits, and qualified Auditor for ISO 9001:2015 and ISO 45001:2018 certifications audit.

### **Mr. Mohd Hafiz Mat Hussain (MH) – Auditor / Technical Expert**

(Palm Oil Mill, Environment, GAP, Integrated Pest Management, Safety and Health, Conservation & HCV Area, and Supply Chain)

- Bachelor's in Technology and Plantation Management (UITM)

Mr. Mohd Hafiz has more than 5 years working experience in the oil palm plantation operations, agriculture, safety, and health related field. He was attached to a large publicly listed plantation organisation from 2009-2013. His job responsibilities include supervision and monitoring to ensure that all estate operations are complying with the RSPO requirements and regulations, Good Agricultural Practice, and other standard operation procedures. He had spent 6 years previously engaged with international CBs in conducting certification audits of plantation operations for compliance with the RSPO and MSPO requirements. 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, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2016. He had been involved in ISO9001, ISO14001 and OHSAS 18001 auditing since May 2013 within Malaysia, Brunei, Indonesia and RSPO auditing within Malaysia, Papua New Guinea, Solomon Islands, Gabon, and Liberia. He has good on-field knowledge in the Palm Oil sector such as industry fundamentals on good agricultural practices (GAP), best management practices (BMP), sustainability, social, OHS issues (e.g., worker welfare issues and social matters such as employment terms, gender issues, worker welfare etc.) and environmental matters (e.g., pollution control, conservation of resources). He is a qualified Lead Auditor for both the RSPO and MSPO certification audits.

### **Ms. Khoo Yah Hui – Auditor / Technical Expert**

(Social Responsibility, Workers Welfare, Safety and Health, Quality Management System)

– Bachelor of Science (Agribusiness)

Ms. Khoo Yah Hui has over 20 years of working experience in manufacturing, specialize in operation, quality control, quality assurance, health and safety and human rights. She started her career as a management trainee in a public listed food manufacturer. She joined consultancy company as ISO consultant for 9001 and HACCP after resigned from the public listed food manufacturer and successfully assisted 19 companies to secure their certificates. She also has the working experience dealt with oil palm processing facilities from year 2005 to 2009 to ensure final products that delivered to them were within specification and met customer requirements. Currently, she is Tesco appointed Quality Auditor for Tesco Suppliers, Responsible Business Alliance (RBA) and (Worldwide Responsible Accredited Production (WRAP) Social auditor, member of Association of Professional Social Compliance Auditors (APSCA) and successfully completed RSPO Principles & Criteria Lead Auditor Course, ISO9001:2015 Lead Auditor in Quality for Management System Course, WRAP Social Systems Auditor/Lead Auditor Course and RBA VAP.

### **Mr. Zarul Izwan Ismal – Provisional Auditor**

(Palm Oil Mill, Environment, GAP, Integrated Pest Management, Safety and Health, Conservation & HCV Area, Workers Welfare)

Bachelor Sciences of Forestry – Environment (UPM)

Mr. Zarul Izwan has more than 5 years working experience in the oil palm plantation operations, agriculture, safety, and health related field. He was attached to a large publicly listed plantation organization from 2013-2018. His job responsibilities include supervision and monitoring to ensure that all estate operations are complying to the RSPO, MSPO & ISCC requirements and regulations, Good Agricultural Practice, and other standard operation procedures. He had spent 6 years being previously engaged with international CBs in conducting certification audits of plantation operations for compliance with the RSPO and MSPO requirements. He had completed the ISO 9001 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course and MSPO Lead Auditor Course in 2020, and Endorsed MSPO SCCS Lead Auditor Course in 2022. He had been involved in RSPO auditing within Malaysia, and Indonesia. He has good on-field knowledge in the Palm Oil sector such as industry fundamentals on good agricultural practices (GAP), best management practices (BMP), sustainability, social, OHS issues (e.g., worker welfare issues and social matters such as employment terms, gender issues, worker welfare etc.) and environmental matters (e.g., pollution control, conservation of resources). He is also qualified Lead Auditor for MSPO OPMC, MSPO SCCS, PEFC CoC, and FSC CoC.



Clause 5.10.2 of RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard (RSPO-PRO-T01-002, 12-Nov-2020) stated “*For initial certifications and recertifications audits the CB shall submit the draft audit report to the peer reviewer for review*”. Therefore, this report was submitted to the External Peer Reviewer as follow:

**Dr. Suhaili bin Sahari**

PhD in Economics & Muamalat (University Sains Islam Malaysia)

Dr. Suhaili bin Sahari has more than 28 years’ experience in training, teaching, consulting, quality, and production for both manufacturing and plantation operation as well as education industry. Some of the training and projects that he has conducted are Roundtable on Sustainable Palm Oil (RSPO), ISO, Project Management, Global Gap, Problem Solving, Strategic Management, SWOT Analysis, Leadership, Malcolm Baldrige, 5S, Cycle Time Reduction, Lean Manufacturing, Six Sigma GB and BB, Auditing and assessment, HACCP, Soft Skills ,Stress Management, 8D problem solving, ICC etc. He has been conducted training and audit on RSPO and MSPO more than 200 estates and mills since 2010 until today. He also the External Peer Reviewer for Certification Body such as BSI, TUV, GGC, BVC and Intertek, which has been reviewing more than 100 estates and mills and still conducting peer review until today.



**APPENDIX B: AUDIT PLAN**

**Appendix B-1: Audit Plan (Actual)**

Date	Time	Auditors and Audit Activity		
		Audit Team		
07-Mar-2023 Tuesday  Day 1	9:00 am – 9:30 am	<b>Opening Meeting and Briefing at POM Office (attended by representatives from the Estates as well)</b>		
	9:30 am – 1:00 pm	Document Review and Audit by all Auditors on respective RSPO P&C: P1 to P7		
		<b>Site Audit at the Dara Lam Soon Palm Oil Mill (POM) Site visit: Loading Ramp, Boiler, Sterilizer, Chemical Store, Scheduled Waste Store, Workshop, Effluent Pond, Water Treatment, EFB area, Housing area.</b>		
		<b>MAS</b>	<b>MH</b>	<b>KYH</b>
		<ul style="list-style-type: none"> <li>• Principle 1</li> <li>• Principle 2</li> <li>• Principle 3</li> <li>• Principle 4</li> <li>• Principle 5</li> <li>• Principle 6</li> <li>• Principle 7</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 1</li> <li>• Principle 2</li> <li>• Principle 3</li> <li>• Principle 4</li> <li>• Principle 5</li> <li>• Principle 6</li> <li>• Principle 7</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 1</li> <li>• Principle 2</li> <li>• Principle 3</li> <li>• Principle 4</li> <li>• Principle 5</li> <li>• Principle 6</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Review of Documentation Changes (Incl. Organization, Policies, SOPs, Laws, etc.)</li> <li>▪ Evaluation of The Pre-Verification Data (PVD)</li> <li>▪ Review of Time Bound Plan (TBP)</li> <li>▪ Verification on Compliance with Minimum Requirements for Multiple Management Units (MMU)</li> <li>▪ Complaints against Lam Soon Cannery Private Limited</li> <li>▪ Verification of Implementation Effectiveness for Corrective Actions on Previous NCs</li> </ul>			
	1:00 pm – 2:00 pm	Lunch Break		
	2:00 pm – 6:00 pm	<b>Continue Site Audit at the Dara Lam Soon Palm Oil Mill (POM)</b>		
	6:00 pm – 7:00 pm	Travel to Hotel & Break		
7:00 pm – 8:00 pm	Team Meeting and Discussion			

Date	Time	Auditors and Audit Activity		
		Audit Team		
08-Mar-2023 Wednesday  Day 2	9:00 am – 1:00 pm	Document Review and Audit by All Auditors on Respective RSPO P&C: P1 to P7		
		<b>Site Audit at the Ladang Sungei Merba (Estate) Site Visit: Harvesting Activity, Spraying Activity, Manuring Activity, Area Boundaries, Conservation Area, Storage Area, Facilities Area, Landfill Area, Housing area.</b>		
		<b>MAS</b>	<b>MH</b>	<b>KYH</b>
		<ul style="list-style-type: none"> <li>• Principle 1</li> <li>• Principle 2</li> <li>• Principle 3</li> <li>• Principle 4</li> <li>• Principle 5</li> <li>• Principle 6</li> <li>• Principle 7</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 1</li> <li>• Principle 2</li> <li>• Principle 3</li> <li>• Principle 4</li> <li>• Principle 5</li> <li>• Principle 6</li> <li>• Principle 7</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 1</li> <li>• Principle 2</li> <li>• Principle 3</li> <li>• Principle 4</li> <li>• Principle 5</li> <li>• Principle 6</li> </ul>
	11:00 am – 1:00 pm	<b>MAS</b>		<b>KYH</b>
	Stakeholders' Consultation on the following categories:			
	<ul style="list-style-type: none"> <li>▪ Contractors</li> <li>▪ Suppliers</li> <li>▪ Transporters</li> <li>▪ NGOs</li> <li>▪ Government Department / Agencies</li> <li>▪ Local Community</li> </ul>			
1:00 pm – 2:00 pm	Lunch Break			
2:00 pm – 6:00 pm	<b>Continue Site Audit at the Ladang Sungei Merba (Estate)</b>			
6:00 pm – 7:00 pm	Travel to Hotel & Break			
7:00 pm – 8:00 pm	Team Meeting and Discussion			



Date	Time	Auditors and Audit Activity			
		Audit Team			
09-Mar-2023 Thursday  Day 3	9:00 am – 1:00pm	Continue unfinished elements of RSPO P&C at the POM and/or the estate			
		<b>MAS</b>	<b>MH</b>	<b>ZH</b>	<b>SH</b>
	• Principle 1	• Principle 1	• Principle 1	• Principle 1	
	• Principle 2	• Principle 2	• Principle 2	• Principle 2	
	• Principle 3	• Principle 3	• Principle 3	• Principle 3	
	• Principle 4	• Principle 4	• Principle 4	• Principle 7	
	• Principle 5	• Principle 5	• Principle 5		
		• Principle 6	• Principle 6		
		• Principle 7	• Principle 7		
	1:00 pm – 2:00 pm	Lunch Break			
	2:00 pm – 4:00 pm	Continue site audit at the POM and/or the estate to follow up on any specific criteria/areas			
	4:00 pm – 4:30 pm	Preparation for Closing Meeting			
	4:30 pm – 5:00 pm	Team Meeting and Discussions with POM & Estate Management Representatives			
	5:00 pm – 6:00 pm	Closing Meeting & Briefing at POM office (attended by representatives from the POM & Estates)			

#### Appendix B-2: Audit Team Competency Matrix

RSPO P&C Areas	Lead Auditor / Auditors / Technical Experts		
	MAS	MH	KYH
Principle 1: Behave Ethically and Transparently	✓	✓	✓
Principle 2: Operate Legally and Respect Rights	✓	✓	✓
Principle 3: Optimise Productivity, Efficiency, Positive Impacts and Resilience	✓	✓	✓
Principle 4: Respect Community and Human Rights and Deliver Benefits	✓	✓	✓
Principle 5: Support Smallholder Inclusion	✓	✓	✓
Principle 6: Respect Workers' Rights and Conditions	✓	✓	✓
Principle 7: Protect, Conserve and Enhance Ecosystems and The Environment	✓	✓	
Supply Chain Requirements for Mills	✓	✓	



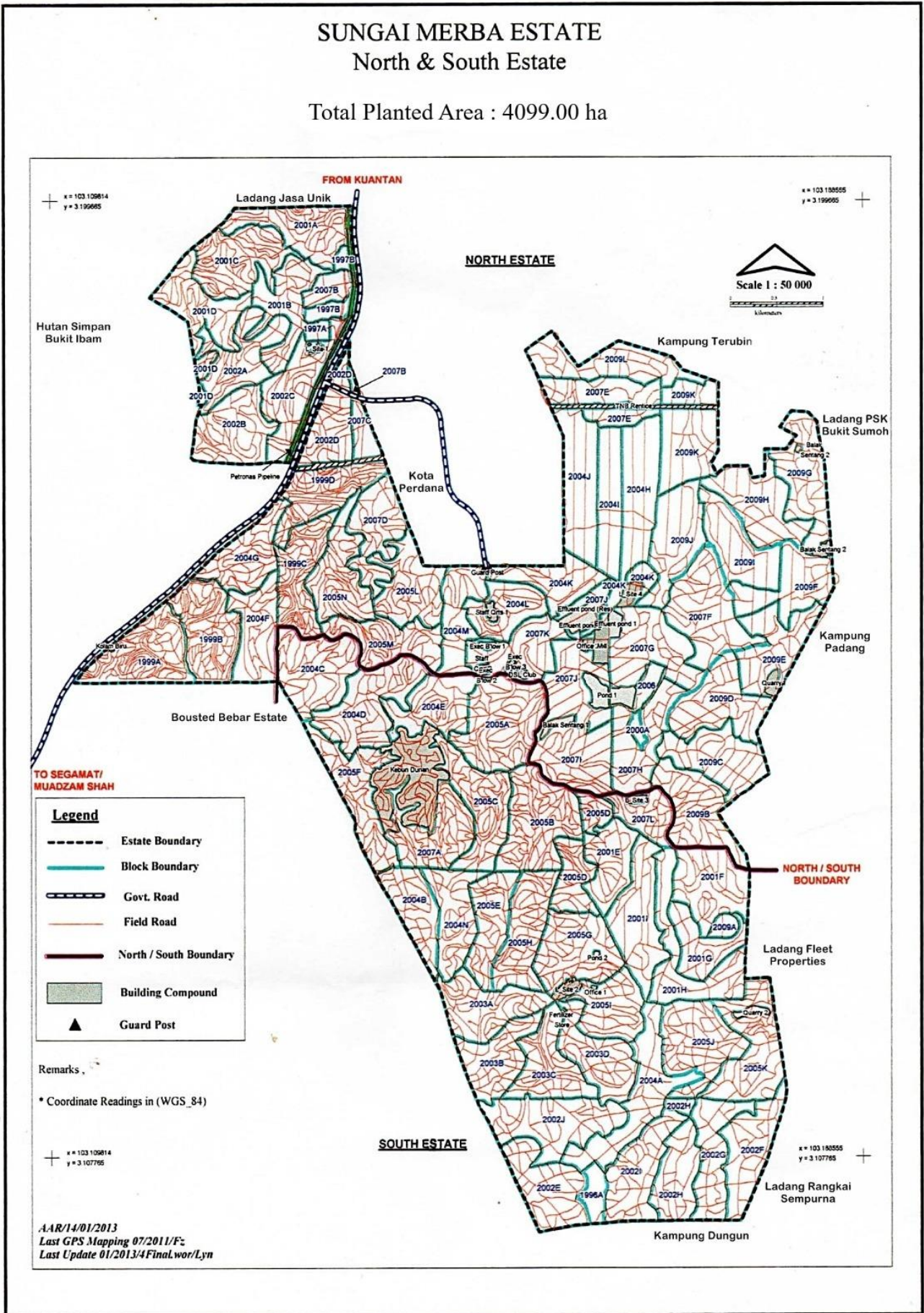
APPENDIX C: LOCATION MAP OF DARA LAM SOON POM & ESTATES GROUPING







Appendix C-1: Map of Ladang Sungai Merba (North Estate & South Estate)





## APPENDIX D: TIME BOUND PLAN

### RSPO Member Details

Name of RSPO Member	:	Lam Soon Cannery Private Limited
RSPO Membership Number	:	2-0909-18-000-00
Date of Joining RSPO Membership	:	27 October 2007

### Time Bound Plan for RSPO Certification of All Palm Oil Mills & Supply Bases

Name of the Unit of Certification (UoC)	Country	Name of the Mills and Supply Bases	Location Address	GPS Coordinates		Total Managed Area (Ha)	Certification Status	Actual Certification Year
				Latitude	Longitude			
Dara Lam Soon POM & Estates Grouping	Malaysia	Dara Lam Soon Palm Oil Mill	KM 92 off Jalan Kuantan – Segamat, 26700 Muadzam Shah, Pahang, Malaysia	3.156812 N	103.161607 E	–	Certified	18-May-2018
		Ladang Sungai Merba	KM 92 off Jalan Kuantan – Segamat, 26700 Muadzam Shah, Pahang, Malaysia	3.156982 N	103.163670 E	4,220.00	Certified	18-May-2018
Lam Soon Plantations Sdn Bhd	Malaysia	Lam Soon Palm Oil Mill	28 KM off Lahad Datu – Sandakan Highway, 91109 Lahad Datu, Sabah, Malaysia	5.254373 N	118.174882 E	–	Certified	25-Aug-2017
		Lam Soon Estate	28 KM off Lahad Datu – Sandakan Highway, 91109 Lahad Datu, Sabah, Malaysia	5.244980 N	118.167033 E	5,885.00	Certified	25-Aug-2017

### CB Evaluation and Verification:

Based on the evaluation done, the Lam Soon Cannery Private Limited was able to demonstrate commitment and provide positive assurance statements on its commitment to continued compliance with the **RSPO P&C Certifications Systems (2020)** Clause 5.5.1, 5.5.2 & 5.5.3 (Minimum Requirements for Multiple Management Units) for all its certified.

Monitoring done of the Timebound Plan and details of progress provided by Lam Soon Cannery Private Limited were evaluated and actions taken found to be appropriate and satisfactory in complying with the RSPO requirements. As per Intertek's progress review conducted so far, Lam Soon Private Cannery Limited has achieved certification for all of its Management Units, thereby fulfilling the requirements specified in Criteria 5.5 of the RSPO Certification Systems for Principles & Criteria (November 2020) and is considered to have no uncertified management units.

- End of Report -