

## RSPO PRINCIPLES & CRITERIA CERTIFICATION REPORT

### Public Summary Information

<b>Project Number:</b>	<b>MY 02999</b>		
<b>Client:</b>	IOI Corporation Berhad <b>Leepang Group ( Lahad Datu Region )</b> Leepang Production Unit	<b>RSPO membership #</b>	2-0002-04-000-00
<b>Country:</b>	<b>Malaysia</b>	<b>RSPO Registered Parent Company:</b>	<b>IOI Corporation Berhad</b>
<b>Scope:</b>	Production of CPO and Palm Kernel		
<b>Supply Chain Module:</b>	Module D: CPO Mills: Identity Preserved		
<b>Mill Capacity</b>	Single , 40MT/hour	<b>Number of Estate</b>	4
<b>Certificate Number:</b>	<b>SGS-RSPO/PM-MY13/ 01315</b>	<b>Date of Issue:</b>	16/12/13
		<b>Date of Expiry:</b>	15/12/18
<b>SGS Accreditation Code</b>	RSPO-ACC-010	<b>Date of accreditation:</b>	24 May 2014
<b>Contacts Job Description:</b>	a) Manager – Sustainability b) General Manager, Lahad Datu Region		
<b>Name:</b>	a) Ms Yeo Lee Nya, Manager – Sustainability b) Mr. S.S Ragupathy, (General Manager, Lahad Datu Region)		
<b>Address:</b>	<u>Physical address:</u>  <u>Head Office</u> Level 8, Two IOI Square IOI Resort, 62502 Putrajaya Malaysia. Tel: +603-8947 8888 (Ext: 6861)  <u>Mill Address</u> Morisem Palm Oil Mill Sdn Bhd (Leepang Palm Oil Mill) Locked Bag No. 15, 91109 Lahad Datu, Sabah, Malaysia	<u>Postal address:</u>  <u>a) Head Office</u> IOI Corporation Berhad IOI Plantation Services Sdn Bhd Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia. Tel: +603-8947 8888 (Ext: 6861)  <u>Mill Address</u> Morisem Palm Oil Mill Sdn Bhd (Leepang Palm Oil Mill) Locked Bag No. 15, 91109 Lahad Datu, Sabah, Malaysia	
<b>Tel:</b>	Tel: +6 03-8947 8888 (Ext: 6861)		

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<b>Standard:</b>	<b>RSPO P &amp; C , Malaysian National Interpretation 2014</b> <b>RSPO Supply Chain Certification Standard dated 21 November 2014</b>
<b>Date of last report update</b>	5 Feb 2016

**End of Public Summary**

**BASIC EVALUATION INFORMATION**

<b>MAIN EVALUATION</b>			
<b>Evaluation Dates:</b>	31 July – 2 August 2012		
<b>Team Leader/Team:</b>	Haye Semail/James Ong/Mohd Faisal Jaafar		
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report approved by:</b>	Abdullah Din	<b>Date:</b>	30 Nov 12
<b>Certification approved by:</b>	Kenny Looi	<b>Date:</b>	16 Dec 13
<b>Database logged by:</b>	Othman Shahziela	<b>Date:</b>	16 Dec 13
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<b>Evaluation Dates:</b>	27 – 30 October 2014		
<b>Team Leader/Team:</b>	Shazaley Abdullah/ Dayang Suhanie		
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report reviewed &amp; approved by:</b>	Haye Semail	<b>Date:</b>	30 Jan 15
<b>Certification approved by:</b>	Kenny Looi	<b>Date:</b>	30 Jan 15
<b>Database logged by:</b>	Othman Shahziela	<b>Date:</b>	30 Jan 15
<b>SURVEILLANCE 2</b>			
<b>Evaluation Dates:</b>	27 <sup>th</sup> – 30 <sup>th</sup> Oct 2015		
<b>Team Leader/Team:</b>	James S H Ong & Abdullah Din		
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report reviewed &amp; approved by:</b>	Hoo Boon Han	<b>Date:</b>	19 Feb 16
<b>Certification approved by:</b>		<b>Date:</b>	
<b>Database logged by:</b>		<b>Date:</b>	
<b>SURVEILLANCE 3</b>			
<b>Evaluation Dates:</b>			
<b>Team Leader/Team:</b>			
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report reviewed &amp; approved by:</b>		<b>Date:</b>	
<b>Certification approved by:</b>		<b>Date:</b>	
<b>Database logged by:</b>		<b>Date:</b>	
<b>SURVEILLANCE 4</b>			
<b>Evaluation Dates:</b>			
<b>Team Leader/Team:</b>			
<b>Affiliate Project Manager:</b>		<b>Date:</b>	
<b>Report reviewed &amp; approved by:</b>		<b>Date:</b>	
<b>Certification approved by:</b>		<b>Date:</b>	
<b>Database logged by:</b>		<b>Date:</b>	

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**SUMMARY**

IOI Lahad Datu Region is responsible for the management of the following Estate Group namely:

- a) **Baturong Group ( Lahad Datu Region )**
- b) **Leepang Group ( Lahad Datu Region )**
- c) **Morisem Group ( Lahad Datu Region )**
- d) **Syarimo Group ( Lahad Datu Region )**
- e) **Unico Group ( recent acquisition in 2014 )**

IOI Corporation-owned **Leepang Group ( Lahad Datu Region )** is located within the Kinabatangan District in the Lahad Datu Region of Sabah, Malaysia . The ownership is a result of acquisition of agricultural areas from other companies. IOI began their venture into Sabah by acquiring agricultural land some planted with cocoa in Sabah which was subsequently cleared and replanted with oil palm . There has been no new establishment of oil palm plantation within the unit apart from replanting.

**Leepang Group ( Lahad Datu Region )** consist of 7 estates namely Leepang 1, Leepang 5, Morisem 5 and Permodalan 1 – 4 with a 40 tph mill identified as Leepang Palm Oil Mill.

The IOI Lahad Datu Region is managed ably by Mr S.S Ragupathy, General Manager. The palm oil mills within the region are being overseen by the Senior Mill Manager, Mr N.Raymond.

After the main audit conducted on 31 July – 2 August 2012 **Leepang Group ( Lahad Datu Region )** received the approval of the certification for the period from 16<sup>th</sup> Dec 2013 - 15<sup>th</sup> Dec 2018 . During the Main Assessment 09 Major CARs, 09 Minor CARs and 4 Observations were raised.

During the 1<sup>st</sup> surveillance conducted on 27 – 30 October 2014, **01 Major** and **00 Minor** were raised with **06 Observation** were raised.

This is the report of the 2<sup>nd</sup> surveillance for Leepang **Group ( Lahad Datu Region )** conducted on 27<sup>th</sup> – 30<sup>th</sup> Oct 2015.

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We would like to put a note here that during the opening meeting Leepang Group ( Lahad Datu Region ), a request was made concerning the management of a small plot of land that is part of the IOI Corporation Bhd newly acquired plantation , Unico-Desa , now known as **Unico Group** . The plot of land happen to be sharing the same boundary with Leepang Group ( Lahad Datu Region ) group of estate. As this plot of land happen to be opposite a stream within **Unico Group**, for crop and daily operation it was more accessible from Leepang Group of Estates. As the responsibility of this plot of land has not been finalized by IOI Corporation Bhd plantation management during the surveillance audit, this will be checked in the next surveillance audit if the responsibility of this plot of land is approved by IOI Corporation Bhd.

### LIST OF ABBREVIATION

Short Form	Meanings
CAR	Corrective Action Request
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DID	Department of Drainage and Irrigation, Malaysia
DOE	Department of Environment, Malaysia
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
EMS	Environmental Management System
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened species
ESA	Environmentally Sensitive Area
FFA	Free Fatty Acids
FFB	Fresh Fruit Bunches
FR	Forest Reserve
Ha	Hectare
HCV	High Conservation Value
HDPE	High Density Polyethylene
IPM	Integrated Pest Management
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature and Natural Resources
JCC	Joint Consultative Committee
JUPEM	Jabatan Ukur dan Pemetaan Malaysia (Department of Survey and Mapping Malaysia)
K	Potassium
kW	Kilowatt
LP	Leepang
LPOM	Leepang Palm Oil Mill
M	Meter
Mg	Magnesium
Mm	Millimeter
Mt	Metric ton
MYNI	Malaysia National Interpretation
N	Nitrogen
NGO	Non Governmental Organisation
OA	Orang Asli (Indigenous People)
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
P	Phosphate
P & C	Principles and Criteria
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PP	Permodalan Plantation
PPE	Personal Protective Equipment
PT	Pejabat Tanah (Coding for Pahang Land Office)
SOP	Standard Operating Procedures
Sdn Bhd	Sendirian Berhad (Private Limited)
SEIA	Social and Environment Impact Assessment
Sg	Sungai
SGS	Societe Generale de Surveillance
SOP	Standard Operating Procedures
SPO	Sustainability Plantation Officer/Office
SPC	Senior Plantation Controller
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health
WHO	World Health Organisation
yr	Year

# 1. SCOPE OF CERTIFICATION ASSESSMENT

## 1.1 National Interpretation Used

The operations of the mill and their supply based of FFB were assessed against the **Roundtable on Sustainable Palm Oil (RSPO), Malaysian National Interpretation Task Force (MYNI-TF), National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production Endorsed by RSPO Board of Governors on 6 March 2015.**

## 1.2 Certification Scope

The scope of certification includes the production of CPO at **Leepang Palm Oil Mill** and its FFB supply base according to the standard of **National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production Endorsed by RSPO Board of Governors on 6 March 2015.** and **RSPO Supply Chain Certification Standard dated 21 November 2014**

## 1.3 Location and Maps

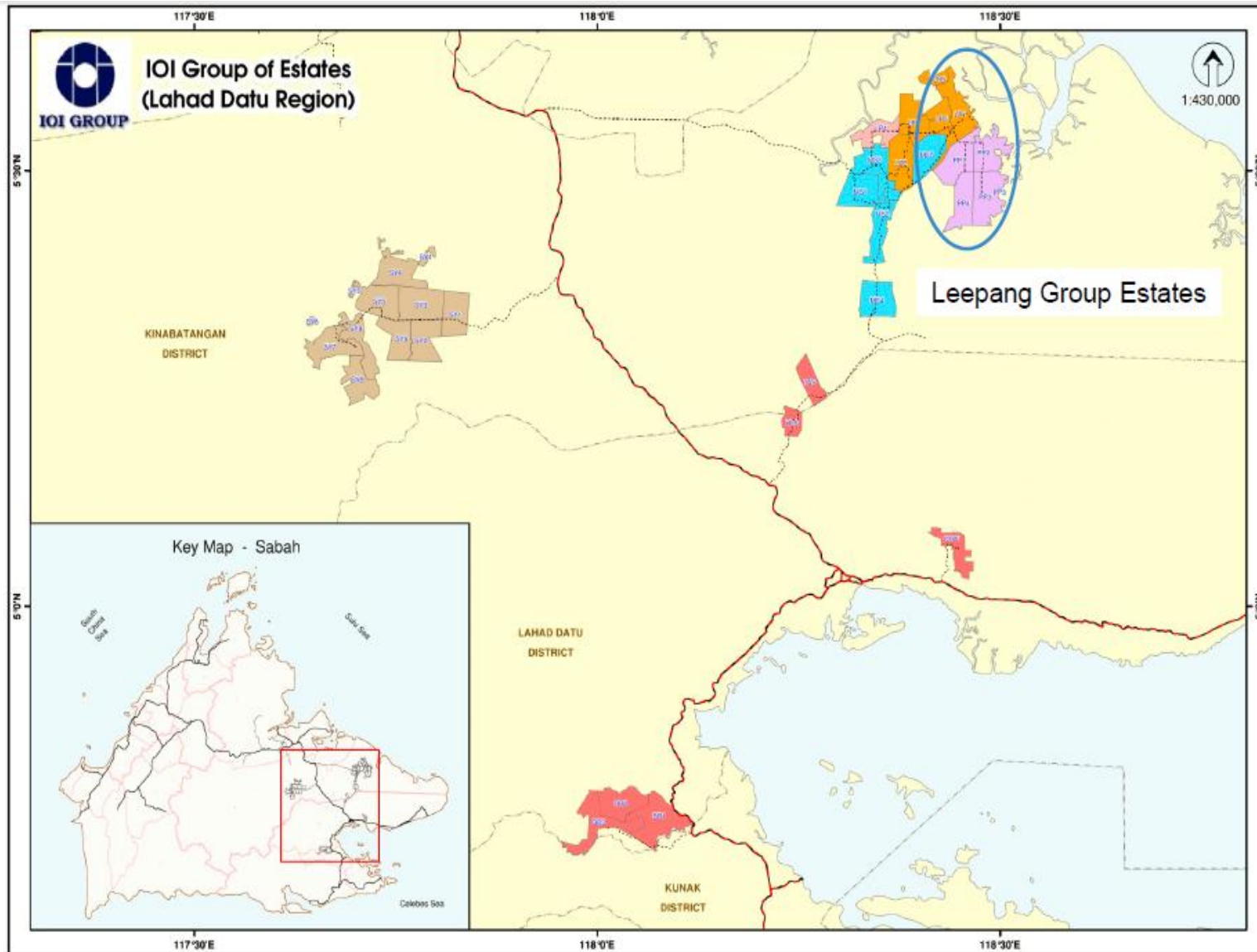
**Leepang Group (Lahad Datu Region)** is located in the Kinabatangan region, district of Lahad Datu in the state of Sabah in East Malaysia. More detailed information on the estates location and layouts is shown in **Figures 1**. The GPS locations of the mill and supplying estates are shown in Table 1.

**Table 1: Mill and Supply Bases GPS Coordinates**

Mill/Supply Base	Latitude	Longitude
Leepang Palm Oil Mill	N 05°32'94.1"	E 118°26'26.0"
Leepang 1 Estate	N 5°33'2.064"	E 118°26'30.623"
Leepang 5 Estate	N 5°32'46.73"	E 118°26'6.809"
Morisem 5 Estate	N 5°30'31.471"	E 118°26'8.5"
Permodalan 1 Estate	N 5°30'25.181"	E 118°27'54.552"
Permodalan 2 Estate	N 5°30'12.064"	E 118°29'1.406"
Permodalan 3 Estate	N 5°28'5.972"	E 118°28'50.828"
Permodalan 4 Estate	N 5°26'56.58"	E 118°28'7.246"



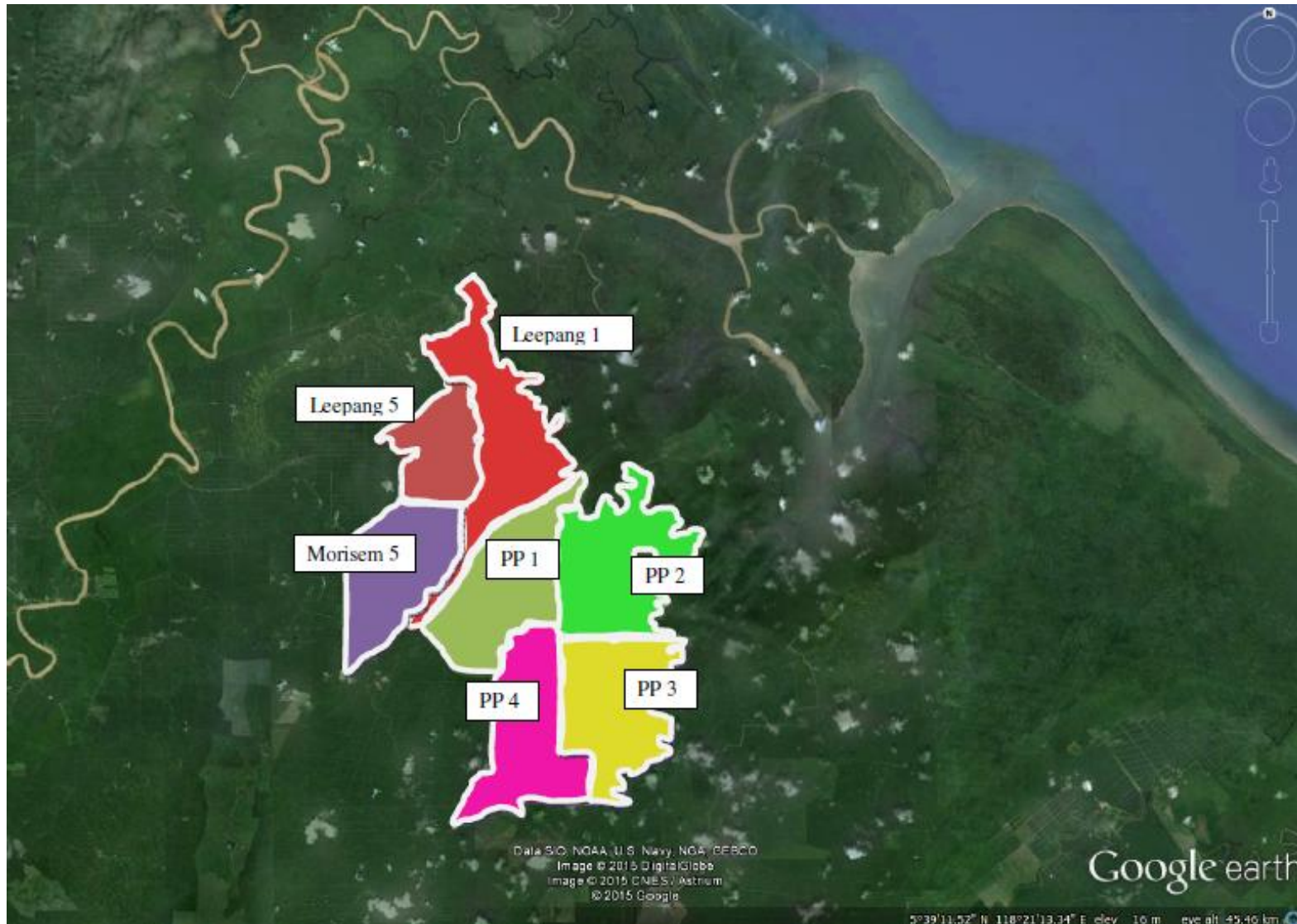
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Figure 1: Location Map for Leepang Group ( Lahad Datu Region ) ( circled ) and its Supply Bases

Figure 2: Estates / Supply Bases and Mill of Leepang Group ( Lahad Datu Region)



**1.4 Description of Supply Base and Mill Processing Capacity**

The FFB is sourced from **7 estates** which are directly managed by **Leepang Group ( Lahad Datu Region)** . The actual and the projected crop yields from each estate are listed in **Table 2** below. **Table 3** shows the actual and the projected processing data of **Leepang Palm Oil Mill**

**Table 2: Actual (FY2014/15) and Projected ( FY 2015/16) of FFB Production from Supply Bases**

Estates	FFB (Tonnage)	
	Actual FY 14/15	Projected FY 15/16
Leepang 1	57,286.89	57,287
Leepang 5	36,391.56	39,104
Morisem 5	25,436.51	21,470
Permodalan 1	46,778.05	51,280
Permodalan 2	52,957.26	59,220
Permodalan 3	54,638.64	61,290
Permodalan 4	49,614.97	58,350
<b>Total Certified production</b>	<b>323,103.88</b>	<b>348,001</b>

**Table 3: Actual (FY 2014/15) and Projected (FY2015/16) Mill Processing Data**

Mill	Mill Production Figures (MT)			
	Actual FY 2014/2015		Projected FY 2015/2016	
	CPO	PK	CPO	PK
RSPO certified production from own supplying estates	67,839.504	16,900.349	69,172	18,116
<b>Total</b>	OER : 21.00 %	KER : 5.23 %	OER : 21.00 %	KER : 5.50 %

### 1.5 Area of Plantation

The area of supplying estates for this **Leepang Palm Oil Mill** is listed in **Table 4**. Details of planted area (mature/immature), total land area, conservation, HCV and others are also provided.

**Table 4: Area Statement (FY 2015/16) of Supply Bases**

Name of Estates	Mature	Immature	Conservation Area (Ha)	HCV Area (Ha)	Others	Total Titled Area (Ha)
Leepang 1 Estate	2,098	0	23.67	0	242.37	2,364.04
Leepang 5 Estate	1,461	0	0	150	79.67	1,690.67
Morisem 5 Estate	754	794	1.12	238.84	101.04	1,889.00
Permodalan 1 Estate	2,125	0	11.00	0	117.65	2,253.65
Permodalan 2 Estate	1,974	0	22.27	0	145.25	2,141.52
Permodalan 3 Estate	2,043	0	7.66	0	99.65	2,150.31
Permodalan 4 Estate	1,945	0	7.62	0	111.13	2,063.75
<b>Total</b>	<b>12,400</b>	<b>794</b>	<b>73.34</b>	<b>388.84</b>	<b>896.76</b>	<b>14,552.94</b>
Other: Include roads, linesite, bridges and any others facilities and amenities.						

### 1.6 Date of Planting and Cycle

The **Leepang Group (Lahad Datu Region)** own estates were planted between **1989 - 1998**. The palms were considered matured when approaching 3 years after planting and will be productive until the age of 25 years before they are replanted. A replanting program for all estates involved are available and being projected for the next five (5) financial years (**FY 2015/2016 to FY 2018/2019**). The age profiles for all the estates are simplified in **Table 5** below.

**Table 5: Planting Age Profile of Supply Bases**

Estate	Year (Ha)														Total Planted Hectare (Ha)
	16-25 years						7-15 years						Immature (<36 months)		
	1993	1995	1996	1997	1998	1999	2000	2002	2003	2006	2007	2008	2013	2014	
Leepang 1	-	856	521	-	550	86	61	24	-	-	-	-	-	-	2098
Leepang 5	-	-	784	264	-	133	75	-	26	-	37	142	-	-	1461
Morisem 5	754	-	-	-	-	-	-	-	-	-	-	-	98	696	1548
Permodalan 1	-	445	1573	107	-	-	-	-	-	-	-	-	-	-	2125
Permodalan 2	-	408	1511	55	-	-	-	-	-	-	-	-	-	-	1974
Permodalan 3	-	-	658	897	-	-	-	-	-	253	223	12	-	-	2043
Permodalan 4	-	-	272	1673	-	-	-	-	-	-	-	-	-	-	1945
<b>Total:</b>														<b>13194</b>	

### 1.7 Other Certification Held

Leepang Palm Oil Mill has also been ISCC EU certified

### 1.8 Organizational Information and Contact Person

The company contact person details are as follows:

<b>Name:</b>	<b>Ms YEO Lee Nya</b>
<b>Designation:</b>	Manager- Sustainability
<b>Address:</b>	Level 8, Two IOI Square IOI Resort, 62502 Putrajaya Malaysia.
<b>Contact No.:</b>	03-89478691
<b>Email address:</b>	yeo.leenya@ioigroup.com

### 1.9 Time-bound Plan for Other Management Units

IOI Corporation Berhad is a member of RSPO and has been involved in the certification since May 2004; the membership number with RSPO is 2-0002-04-000-00.

The Group has 90 oil palm estates spanning across Malaysia and Indonesia with a land bank totalling 207,057 hectares, of which 177,680 hectares have been planted with oil palm.

Approximately 63% of the Group's oil palm plantation holdings are in East Malaysia, 23% in Peninsular Malaysia and the remaining 14% in Indonesia.

The Group's plantation produce are principally processed by its 15 palm oil mills located in Malaysia, with an annual milling capacity of approximately 4,600,000 tonnes of fresh fruit bunches ("FFB").

In addition, the Group also owns a 31.4% stake in Bumitama Agri Ltd ("BAL"), a listed company on the Singapore Stock Exchange ("SGX").

(ref: [http://www.ioigroup.com/Content/BUSINESS/B\\_Estates](http://www.ioigroup.com/Content/BUSINESS/B_Estates))

**IOI Corporation Berhad** has developed a time-bound plan (**Appendix C**) for the phased implementation of the RSPO P&C, commencing with mills and estates. **IOI Corporation Berhad** will use the experience gained from achieving certification of the first few mills and estates to implement the RSPO P&C in parallel with the remainder of its operations. The SGS assessment team considers that **IOI Corporation Berhad** is on the right track which is reasonable and challenging, given the widespread geographic locations of its properties, the resources required and the numbers of smallholders involved.

<b>Time Bound Plan</b>		
<b>Requirement</b>	<b>Findings and any action required</b>	<b>Compliance</b>
Does the plan include all subsidiaries, estates and mills?	Yes	Yes
Is the time bound plan challenging?  <ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	It is a challenging time bound plan.	Yes
Have there been any changes since the last audit? Are they justified?	No	Yes
If there have been changes, what circumstances have occurred?	No changes	Yes
Have there been any stakeholder comments?	No up to present.	Yes
Have there been any newly acquired subsidiaries?	Refer to the time bound plan . Acquisition of Unico Desa Plantation now known as Unico Group in 2014	Yes
Have there been any isolated lapses in implementation of the plan?	Lapses if any will be clarified especially in Units where issues are still pending	Yes
<b>Un-Certified Units or Holdings</b>		
Note: Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills)		
<b>Requirement</b>	<b>Findings and any action required</b>	<b>Compliance</b>
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. IOI is following up with the uncertified Units	Yes

<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p>Yes. IOI is following up with the issues raised under the uncertified Units.</p> <p>RSPO has been informed</p>	<p>Yes</p>
<p>Any new plantings since January 1<sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>Any new plantings since January 1<sup>st</sup> 2010 will comply with the RSPO New Plantings Procedure e.g units in Indonesia</p>	<p>Yes</p>
<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p>	<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. e.g in Sarawak</p>	<p>Yes</p>
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>Any Labor disputes will be resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>Yes</p>
<p>Did the company conduct an internal audit? If so, has a positive assurance statement been produced?</p>	<p>Yes.</p> <p>Internal audit will be reviewed for site's further improvement.</p>	<p>Yes</p>
<p>Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2 e.g. in Indonesia</p>	<p>Yes</p>

## 2. ASSESSMENT PROCESS

### 2.1 Certification Body

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 80,000 employees, SGS operates a network of over 1,650 offices and laboratories around the world.

The RSPO Programme is the SGS Group's RSPO Certification Programme internationally accredited by ASI to carry out oil palm plantation and supply chain certification/verification and accreditation for global RSPO certification.

### 2.2 Assessment Methodology, Programme, Site Visits

The assessment was conducted in **04** audit days and involving 3 estates and the **Leepang Palm Oil Mill (LPOM)** of **Leepang Group ( Lahad Datu Region)** The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues. A sample of stakeholders was consulted during the assessment to get their feedback on the management doing.

The assessment was conducted based on random samples and therefore nonconformities may exist which have not been identified. The methodology for objective evidence collection included physical site inspection, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data.

The assessment program is included as shown in **Table 6** below.

**Table 6: Audit Plan**

Date	Time	Auditor	Area / Department / Process / Function	Key Contact
26/10	1:30 p.m	JO and AD	26OCT MH2604 KULBKI 0730 1005	Agos Atan Assistant Manager – Sustainability & Team
			26OCT MH3016 BKILDU 1210 1305	
			Travel to accommodation location , Kinabatangan	
27/10	8:00 a.m		Opening meeting at Leepang POM	
	9:00		Travel to Estate ( L5) & audit arrangement	Estate 1 personnel
			Field Operation – Spraying/Manuring/Harvesting/Replanting/ Agriculture Practices – soil, water, environment,IPM management , Peat ? Interview stakeholders – workers	
	12:30 p.m		Lunch break	
	1:30 p.m		Document review AD- Principle 6 : Pay and condition , meeting Stakeholder interview, worker representatives, Gender committee, Humana , Creche, Linesite , HA  Principle 1-3, Principle 5 Environment - (dumpsite/landfill, workshop, Waste Management - Schedule Waste store, Line site; HCV, Conservation Area, Riparian), JO - Documentation on Principle 4 – SOP , Soil , water IPM, Roads, Storage site	



Date	Time	Auditor	Area / Department / Process / Function		Key Contact
			(Agrochemical, Fertilizer, empty containers storage ), PPE, emergency shower, Pre-mix area Training – IPM , pesticide handling and safety training OSH 4.7 , Principle 8-Continuous Improvement		
	5:30 p.m		Presentation of interim findings of Estate 1		
			End day 1 audit		
28/10	0700	All	JO - Estate 2 ( P3 )	AD - Estate 3 ( P4 )	Estate 2 & 3 personnel  Agos Atan Assistant Manager - Sustainability & Team
			Field Operation audit – Spraying/Manuring/Harvesting  Agricultural Practices – soil, water, environment, IPM management , Peat ?	Field Operation audit – Spraying/Manuring/Harvesting – Interview workers  Environment – HCV, riparian, Landfill , Water management	
			JO - Principle 4 – IPM, EFB, Roads, Storage site (Agrochemical, Fertilizer, empty containers storage ), PPE, emergency shower, Pre-mix area	Abdullah - Principle 6 - Stakeholder interview: worker & representatives, Gender committee, Humana , Creche, Linesite  Principle 1-3, Principle 5 Environment - (dumpsite/landfill, workshop, Waste Management - Schedule Waste store, Line site; HCV, Conservation Area, Riparian),	
	12:30		Lunch /Break		
	1:30		Documentation Review in estate office;  OSH and ECC meetings & records  water, soil, IPM ,waste management plans  Principle 8-Continuous Improvement	Documentation Review in estate office;  Operation monitoring records ,  Social and environmental management plans  Pay and condition ( contracts, minimum wage , passport , Insurance )  interview gender committee, ECC rep, Union and HA	
			Presentation of interim findings of Estate 2	Presentation of interim findings of Estate 3	
	5:30 p.m		End of Day 2		
29/10	7:00 a.m	All	Pick up to Palm Oil Mill		Agos Atan Assistant Manager - Sustainability & Team
	8:00		Leepang POM Mill Audit (Supply Chain ) & P& C Permits, MPOB licence, other machinery licence and permits, Environment compliance, stack monitoring , DOE		Mill personnel

Date	Time	Auditor	Area / Department / Process / Function	Key Contact
			submission, confined space POME management , EFB, Water and Energy Management OSH and ECC meetings & records Production Data Updates Annual medical /auditory surveillance Pay and condition ( contracts, minimum wage , passport , Insurance ) interview gender committee, ECC, union rep Operation monitoring records ,	
	12:30 p.m		Lunch / Break	
	1:30		Finalising P&C and Supply Chain Procedure/checklist Documentation Review in estate/Mill Office Update data and records	
	4:00		Audit/Preparation for Closing Meeting	
	5:00		Closing Meeting Findings and Recommendation Discussion ( Q & A )	All relevant personnel representing Leepang Production Unit & Agos Atan Assistant Manager - Sustainability & Team
	6:00 p.m		End of audit	
30/10	8:00 a.m		<i>Alternative time for closing meeting if 29/10/15 not possible</i>	as above
	1:00 p.m		30OCT MH3017 LDUBKI 1325 1420 30OCT MH2607 BKIKUL 1610 1835	

### 2.3 Qualification of Lead Assessor and Assessment Team

SGS Malaysia Sdn Bhd holds copies of educational qualifications, certificates and audit logs for each of the audit team members. SGS has evaluated the qualifications and experience of each audit team member and has registered the following designations for conducting RSPO Assessment. Summary of auditors' educational background and experience are listed in **Table 7** below.

**Table 7: Auditor Profile**

Evaluation Team	Profile/ Qualification/ Experience
<b>Team Leader – Plantation, GAP, supply chain, OSH, Continuous Improvement</b>	James S H Ong, a Bachelor of Agriculture Science holder and agronomist in SGS (M) Sdn Bhd. He has many years working experience in agriculture sector in Malaysia and has been working in estates as well in the agrochemical and fertilizer industry. He is well versed with agrochemical and fertilizer applications. Has undergone ISO 14001 and RSPO Lead Auditor training for both P&C as well as the Supply Chain and has already been involved in RSPO and ISCC certification audits since 2010.

<b>Auditor 1 – Legal &amp; Regulations, , Social , Environment</b>	Abdullah Din, SGS ( Malaysia ) Sdn Bhd CoC Program Manager and Lead Auditor, is a forester by profession and a trained Lead Auditor with more than 8 years experience in forestry Chain of Custody (CoC) certification. He also has been involved in a number of Forest Management (FM) certification for the last 3 years. In addition , he is a Lead Auditor for RSPO ,trained by RSPO for auditing against RSPO P&C and RSPO Supply Chain and involved in a number of plantation assessments and audit of palm oil mill.  He is also involved in ISCC EU certification
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**2.4 Stakeholder Consultation and List of Stakeholders Contacted**

As this is a surveillance audit, stakeholders were contacted during the audit to inform them of the evaluation and ask for their views on relevant palm oil sustainability issues. Where applicable, neighbouring estates as well as internal stakeholders were interviewed . However in Leepang Group ( Lahad Datu Region ) , most of the neighbouring estates are also part of the IOI Group of estates.

Stakeholder consultation took place in the form of meetings and interviews during field visit in the estates or in the **Leepang Group (Lahad Datu Region)** mill. In all the interviews and meetings the purpose of the audit was clarified at the outset followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded in accordance with relevant RSPO principles, criteria and indicators. See **Appendix D** for stakeholder’s details and comments.

**3. ASSESSMENT FINDINGS**

**3.1 Summary of Findings**

**3.1.1 Principles & Criteria**

As outlined, objective evidence was obtained separately for each of the RSPO Indicators and criterion for the mills and estates. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

There is **00 Major** Non-conformities and **02 Minor** Non-conformities identified during this 2<sup>nd</sup> Surveillance audit assessment. Some areas identified with potential areas for improvement has led into **02 Observations** raised. Details for each Non-conformities and observations are given in **Appendix A**. Major Non-conformities has been closed out within the period of 60 days after the assessment. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months after the RSPO approval of Main Assessment.

<b>Principle 1: Commitment to Transparency</b>					
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.					
1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	List of updated stakeholders for the estates as well as the oil mill was sighted. The stakeholder list will be updated annually and the latest was updated Jan 2015.				

	<p>Stakeholders include :</p> <ul style="list-style-type: none"> <li>a) Statutory Bodies e.g Labour Department Kunak</li> <li>b) Internal stakeholders</li> <li>c) Education Stakeholders</li> <li>d) Neighbouring estate</li> <li>e) Shop owners, contractors</li> <li>f) Environment NGO</li> <li>g) Individuals, company, Community</li> <li>h) Government Department</li> </ul> <p>Annually, the Baturong Group will send a letter to the stakeholders inviting them for the meeting tha discusses information pertaining to the Group commitment to RSPO. The letter for external stakeholder is sent by the mill whereas for the internal, it will be sent by the individual estate.. Information include issues relating to Social Impact assessment and HCV.</p> <p>The meeting conducted on 4/6/15 and 22/12/14 were sighted</p>				
1.1.2	Records of requests for information and responses shall be maintained.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>The BOM-PMU has documented procedures for stakeholder information request at the corporate and estate level.</p> <p>Records of requests and responses were viewed at the estate level.</p> <p>The Website <a href="http://www.ioigroup.com/Content/Business/B_Plantation">http://www.ioigroup.com/Content/Business/B_Plantation</a> provides information on their plantation responsibilities, corporate social responsibilities and commitment to sustainability compliance.</p> <p>The Group has made continued progress on its sustainability certification endeavours and reinforced its good agricultural practices and sustainability measures in all its divisions, while increasing its community development initiatives.</p> <p>Read more about their commitment in : <a href="#">Corporate Responsibility and Sustainability Policies</a>.</p> <p>Stakeholder lists for all estates and mill is available on site.</p> <p>Documents for requests and grievances were view.</p> <p>The mechanism for information request is clearly outlined in the estates' Social Impact Assessment - Management action plan and continuous improvement plan 1/7/15</p> <ul style="list-style-type: none"> <li>a) For corporate level pg 25</li> <li>b) For stakeholder request at Estate level , pg 26</li> <li>c) Grievances procedure of land owner issue, pg 29</li> </ul> <p>The external requests are filed in the individual estate 'Social Record ' file e.g. sighted at BTRG 2. All the request were mainly social issues pertaining to transport, invitation, donation, access, school request etc. Records are kept since 2009.</p> <p>Records of action/approval were written on the letter of request by the estate management. Record show that the manager will approve and the assistant will act upon it within the time-frame.</p> <p>For internal stakeholders request, records are recorded in the 'Grievance / Request Book ' . There were 3 requests in 2015 and action was taken within the time-frame of 3 days.</p>				
<b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.					
1.2.1	Land titles / user rights (C 2.2)				<i>Major</i>

<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Land titles of Leepang Production Unit are made publicly available upon request. The land titles are available for auditors during the audit. In example:					
	<b>Estate</b>	<b>Land Title Number</b>		<b>Area (Ha)</b>		
	Leepang 1	CL 095324173		15.95		
		CL 095324342		9.69		
		CL 095324379		15.93		
CL 095324235		16.25				
Permodalan 1, 2, 3, 4	CL 075374588		8,093.8891			
1.2.2	Occupational health and safety plans (Criterion 4.7);					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Occupational Safety & Health Policy updated 11 July 2011 authorized by the Group Plantation Director is posted in the estates and mill's office which is publicly available.					
	Estates and mill maintains safety & health documents that includes risk assessment (Hazard Prevention and Control Measures (HIRAC) , Emergency Preparedness and Response Plan and Procedure , training plans & training records					
	All safety & health documents and records maintain will be made available to all interested parties upon request.					
1.2.3	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	The following documents are available that document plans and impact assessment relating to environmental and social impacts:					
	1. Social Impact Assessment (SIA) , Management Action Plan & Continuous Improvement Plan					
	2. Environmental Impact Assessment (EIA) Management Action Plan & Continuous Improvement Plan					
Both above documents and records maintain will be made available to all interested parties upon request.						
1.2.4	HCV documentation summary (Criteria 5.2 and 7.3);					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	HCV documentation summary is available in the following document :					
	- High Conservation Value (HCV) & Conservation Area This document will be made available to all interested parties upon request.					
1.2.5	Pollution prevention and reduction plans (Criterion 5.6);					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Pollution prevention and reduction plans is available in document " Environmental Impact Assessment (EIA) Management Action Plan & Continuous Improvement Plan" updated 05 Oct 2015.					
	This document will be made available to all interested parties upon request.					
1.2.6	Details of complaints and grievances (Criterion 6.3);					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Details of complaints and grievances are recorded in "Complaint/Grievance Book". This book will be made available to all interested parties upon request.					

1.2.7	Negotiation procedures (Criterion 6.4);	<i>Major</i>
<b>Findings</b>	In compliance:    Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Negotiation procedures are described in procedure namely "Grievance Procedure for Land Owner Issues".</p> <p>This procedure will be made available to all interested parties upon request.</p>	
1.2.8	Continual improvement plans (Criterion 8.1);	<i>Major</i>
<b>Findings</b>	In compliance:    Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Continuous Improvement Plan is available in document "5 Years Business Plan" which annually updated.</p> <p>This document will be made available to all interested parties upon request.</p>	
1.2.9	Public summary of certification assessment report;	<i>Major</i>
<b>Findings</b>	In compliance:    Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Public summary of certification assessment report and their status are made publicly available as per RSPO procedure</p>	
1.2.10	Human Rights Policy (Criterion 6.13)	<i>Major</i>
<b>Findings</b>	In compliance:    Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>IOI Group has established a written policy committing to 'Respecting Human Rights Policy' dated 11 May 2015 by Mr Too Heng Liew, Head of Sustainability ( Malaysia / Indonesia ) IOI corporation Bhd that state the similar Human Rights and Workplace statement in the 'Sustainability Policy Statement ' by Dato ' Lee Yeow Chor CEO 15/12/14:</p> <ul style="list-style-type: none"> <li>- Respect and support the universal Declaration of Human Rights and treat all employer fairly</li> <li>- Promote a safe, healthy and harmonious working environment that is free of sexual; harassment</li> <li>- Provide fair and equal employment opportunities for all employees regardless of race, religion or sex</li> <li>- Provide training and development to employee to ensure achievement of their full potential</li> <li>- Uphold the right of freedom of association and eliminate all forms of forced and child labour</li> </ul>	
<b>Criterion 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.		
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.	<i>Minor</i>
<b>Findings</b>	In compliance:    Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>IOI Group has established a written policy committing to a code of ethical conduct and integrity in all operations and transaction : Code of Business Conduct &amp; Ethics by Too Heng Liew 11 May 2015 that state the following commitment :</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A respect for fair conduct of business;</li> <li><input type="checkbox"/> A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources;</li> <li><input type="checkbox"/> A proper disclosure of information in accordance with applicable regulations and accepted industry practices.</li> </ul>	
<b>Principle 2: Compliance with Applicable Laws and Regulation</b>		
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1	Evidence of compliance with relevant legal requirements shall be available.	<i>Major</i>

<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>Leepang Production unit has listed down all applicable laws including international laws and conventions ratified by the Malaysian government. The list of law for Leepang Production Unit is available in:</p> <ul style="list-style-type: none"> <li>a. List of Applicable Laws, Regulations, Permits and Licenses (48 applicable laws are listed)</li> <li>b. List of Valid Permit and Licenses Monitoring</li> </ul> <p>Estates and mill operating permits and licenses are displayed at the office and there is no evidence that Leepang Production Unit is running against any legal requirements.</p>					
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>Leepang Production Unit has identified the responsible department and personnel to monitor the compliances.</p> <p>At IOI Group Level, the legal compliances are monitored by Legal Department. At region level (i.e. Lahad Datu), the implementation and monitoring of compliances is conducted by IOI Regional Office and at the estate and mill level, the compliances is monitored by each estate and mill manager.</p> <p>Observed at estates and mill visited, the document entitled "List of Laws, Covenants &amp; Standards Applicable to Sabah Estate &amp; Mill Operations" updated 30 September 2015 is available. The document listed Federal Laws, State Laws, International Laws, Covenants &amp; Standards and Guidelines, Code of Conduct/Practice and Other standards.</p>					
2.1.3	A mechanism for ensuring compliance shall be implemented.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>Leepang Production Unit is ensuring compliance of laws &amp; regulation is implemented by displaying all applicable licenses and permits at estate and mill's office.</p> <p>Chief Clerk is appointed for renewal of licenses and permits. Respective department at Regional Office will remind Chief Clerk upon expiry of licences</p>					
2.1.4	A system for tracking any changes in the law shall be implemented.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>Leepang Production Unit has established a system to tracking any changes in the law. The mechanism is available in document " Mechanism of Tracking of Law Changes Criterion 2.1" . The procedure has clearly stated that Sustainability Team will be monitoring and doing follow up with the changes in the law. However, every department will also monitor any changes or updates in the law relevant or applicable to their operation. Examples of department involved are:</p> <ul style="list-style-type: none"> <li>a. Human Resource Department</li> <li>b. IOI Administration &amp; Legal Department</li> <li>c. Safety and Health Executive</li> <li>d. Individual Estate Manager</li> <li>e. Visiting Medical Officer</li> <li>f. Area Security Advisor</li> </ul>					
<b>Criterion 2.2:</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.						
2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.					<i>Major</i>

<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Leepang Production Unit can show the evidence of legal ownership of the land by providing a valid land titles for all estates. The land titles have clearly indicates the company names (i.e.: Fine Capital Sdn Bhd (Leepang 1 Estate); Permodalan Plantations Sdn Bhd (Permodalan Estates 1, 2, 3 & 4).					
2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	The estates is maintaining Boundary Stick along the perimeter adjacent to state land and other reserves. The estates are maintaining the boundary by constructing trenching. A map of perimeters boundary (re-surveyed by GIS Team) is available.					
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Not applicable. There is no land issue within Leepang Production Unit.					
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Not applicable. There is no land issue within Leepang Production Unit.					
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighboring communities and relevant authorities where applicable).					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Customary use of land for community purposes have been identified either on maps (places of worship, burial grounds, and archaeological site) are maintained. Currently, there are no claims on legal or customary rights exist for the estates					
2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	There are no evidence that the oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Interview with workers and mandores reveal that no such issue occurs.					
<b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal, customary or users rights of other users without their free, prior and informed consent.						
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	There was no land issue since the establishment of these estates. Land titles are available for the auditors to show the rights on the area. A map of the boundary stones and land surveyed are available for the auditors during the audit. Area statements are also available at the estates.					
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available.					<i>Minor</i>



<b>Findings</b>	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Not applicable. There is no land issue within Leepang Production Unit.	
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Information like maps , agreement, impact assessment are available where it can be shared publicly are available and accessible on the IOI website as well as in the estate an mill office are documented and available in languages understood to affected parties like neighbouring esates.	
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	There are no land issues with the neighbouring communities.	

<b>Principle 3: Commitment to Long-Term Economic and Financial Viability</b>		
<b>Criterion 3.1:</b> A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.		
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input type="checkbox"/> x No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The annual budget and the 5 year management plan of projection is available covering a period from 2014/2015 to 2018/2019 that specifies the following activities/elements:</p> <p>The Business plan for BPOM include the following :</p> <ol style="list-style-type: none"> <li>a) Capital Expenditure</li> <li>b) Supervision</li> <li>c) Cost of Labour</li> <li>d) Other cost like RSPO certification</li> <li>e) Manufacture</li> <li>f) Despatch</li> </ol> <p>The Business Plan for the estate will include the following:</p> <ul style="list-style-type: none"> <li>• Area statement;</li> <li>• Crop (FFB) by Year of Planting;</li> <li>• Crop (FFB) Monthly Seasonal Breakdown;</li> <li>• Crop Statement Production 5 Years;</li> <li>• Replanting Programme;</li> <li>• Executive/Staff and Workers Requirement;</li> <li>• Mature Oil Palm Costing Statement;</li> <li>• General Chargers Statement;</li> <li>• Capital Requirement Expenditure Statement;</li> <li>• Estimate Cost to Maturity – Budget year 2015/16and</li> </ul>	

3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Replanting Programme is captured within the 5 year Management Plan that indicates the scheduled replanting programme.	
<b>Principle 4: Use of Appropriate Best Practices by Growers and Millers</b>		
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.		
4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The Group Standard Operating Procedures (StOPs) - 2007 and Safe Operating Procedures (SaOPs) are maintained. Procedures exist for operations in the estates and mill .</p> <p>The StOPs and SaOPs reflect best practices as stated in IOI's agricultural policy document.</p> <p>Some of the StOPs for Estates sighted were as follows :</p> <ol style="list-style-type: none"> <li>1.0 Seed Production Unit</li> <li>2.1 Planting Density</li> <li>3.2 Large polybag Nursery</li> <li>4.2 Land Clearing and Preparation for planting and replanting</li> <li>5.0 Tidal Gates</li> <li>6.0 Planting Technique</li> <li>7.0 Leguminous Cover Plant</li> <li>8.1 Manuring ( Immature and Mature palms )</li> <li>8.6 EFB Mulching</li> <li>9.1 Weeding</li> <li>10.1 - 10.11 Pest and Disease ( rats, RB, bunch moth, elephant, valanga, cattle ,porcupine, Ganoderma )</li> <li>11.1 - Harvesting – Scout , ripeness, ablation , buffalo assisted harvesting etc )</li> <li>12.0 Road Maintenance</li> <li>13.1 Workshop &amp; vehicle maintenance</li> <li>14.1 Buffalo Healthcare</li> <li>15.1 Foliar Sampling</li> </ol> <p>For safe operating procedures , the estate will refer to the Occupational Safety and Health ( OSH ) Manual OSH Management System Documents that specifies the safety procedures and the following activities were sighted . They were written in Bahasa Malaysia</p> <ul style="list-style-type: none"> <li>• <i>Prosedur Kerja Selamat Penggunaan kereta kerbau</i></li> <li>• <i>Prosedur Kerja Selamat penyimpanan dan pengurusan Stor Bahan Kimia</i></li> <li>• <i>Prosedur Kerja Selamat Spill Kit</i></li> <li>• <i>Prosedur Kerja Selamat menabur Baja dengan Jentera atau manual</i></li> <li>• <i>Prosedur Kerja Selamat menabur racun Tikus</i></li> <li>• <i>Prosedur Kerja Selamat di bengkel</i></li> </ul>	

	<p>Group Safe Operating Procedure ,StOP ( July 2007 – June 2012 ) for mill specifies the following procedures:</p> <p>The local language copies were also included.</p> <ul style="list-style-type: none"> <li>• General regulation for POM Operations;</li> <li>• Receiving of FFB; ( Ch.1)</li> <li>• Loading Ramp ( Ch. 2 )</li> <li>• Sterilizer; ( Ch. 3)</li> <li>• Threshing Station; ( Ch 4 )</li> <li>• Pressing Station; ( Ch 5 )</li> <li>• Depericarper Station; ( Ch. 6 )</li> <li>• Nut &amp; Kernel Plant; ( Ch. 7 )</li> <li>• Oil Room Station; ( Ch. 8 )</li> <li>• Boiler Station; ( Ch. 9 )</li> <li>• Engine Room Station; ( Ch. 10 )</li> <li>• Laboratory; ( Ch. 11 )</li> <li>• Water Treatment Plant; ( Ch 12 )</li> <li>• Shovel; ( Ch. 13 )</li> <li>• Effluent Treatment Plant; ( Ch. 14 ) and</li> <li>• Workshop. ( Ch. 15 )</li> </ul> <p>LPOM has also the SOP : RSPO supply chain – Module D Identity Preserve Doc. No: RSPOSC/SOP/IP/3 dated 2/1/15 that has the following:</p> <ol style="list-style-type: none"> <li>1. Purpose</li> <li>2. Scope</li> <li>3. Responsibilities</li> <li>4. Reception</li> <li>5. Processing &amp; Storage</li> <li>6. Despatch</li> <li>7. Records and Retention</li> <li>8. Training</li> <li>9. Claims</li> <li>10. Overproduction</li> </ol>			
4.1.2	A mechanism to check consistent implementation of procedures shall be in place.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	x	No:
<b>Objective evidence:</b>	<p>As per 4.1.1, all the SOPs related to the operation is documented.</p> <p>As one of their responsibility, mill personnel constantly supervise the workers during their 'four of duty ' to ensure that the workers are performing their work in accordance to SOP.</p> <p>They will be corrected on site.</p> <p>Similarly for the estates, prior to the safety meeting , the safety committee will do a work place inspection for the safety implementation in all the various SOPs e.g. :</p> <ul style="list-style-type: none"> <li>a) Spraying /<i>penyembur racun</i></li> <li>b) Manuring/ <i>membaja</i></li> <li>c) Harvesters</li> </ul>			

	<p>d) Tractor Driver</p> <p>e) <i>Stor Racun, Baja</i>, Lubricants, General Store</p> <p>f) workshop</p> <p>g) Diesel Skid tank</p> <p>h) Genset</p> <p>i) ERP</p> <p>j) Hazard signs</p> <p>k) Creche</p> <p>In LP5 , the latest was conducted on 14/9/15 by Cadet Asst Zulfadli Zuhri. The workplace inspection form will be filed in the OSH workplace inspection file .</p> <p>For the estate , a checklist , 'Fertiliser Observation Sheet ' will be filled by a personnel from the Research Centre , during their yearly monitoring for fertiliser application as a mechanism of consistent implementation of procedures</p> <p>The last fertiliser inspection record show that on 7/10/15 a visit was conducted . the personnel will try to inspect at least 2-3 times per year.</p> <p>In LPOM , safety inspection is conducted quarterly prior to the safety meeting to check the consistent implementation of procedures. The workplace inspection dated 28/9/15, 29/6/15 and 30/3/15 were sighted .</p> <p>Area inspected that had findings in the 28/9/15 inspection were:</p> <ol style="list-style-type: none"> <li>1) Scrap Metal Storage area</li> <li>2) Oil Trap</li> <li>3) Engine room</li> <li>4) Storage Tank</li> <li>5) FFB Grading station</li> <li>6) Diesel Storage Tank</li> <li>7) EFB Hopper</li> </ol>			
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	x	No:
<b>Objective evidence:</b>	<p>As reported in 4.1.2, records of monitoring and actions taken are maintained.</p> <p>.</p> <p>In LP5 , the latest inspection was conducted on 14/9/15 by Cadet Asst Zulfadli Zuhri. The workplace inspection form will be filed in the OSH workplace inspection file . This is used to check consistent implementation of procedures .</p> <p>At the workshop in PP3, the '<i>Jadual Service &amp; Penyelenggaraan Kenderaan</i> or Daily vehicle inspection checklist' is on the notice board that is filled by the workshop mechanic/ foremen to monitor the maintenance of each vehicle or tractor.</p> <p>As reported above the report '<i>workplace inspection form</i> ' is used to check consistent implementation of procedures .</p> <p>This is conducted by the Enforcement &amp; Workplace Inspection committee of the Safety and Health committee namely Mohd Aidil M. Anni, Dindo , Orong, Juneo, representing the management and Muktar and Arman , representing the workers</p>			

	<p>At LPOM ,the workers and staff will daily submit log-sheet for the following as a form to monitor :</p> <ul style="list-style-type: none"> <li>a) Boiler</li> <li>b) Engine room</li> <li>c) Press</li> <li>d) Oil room</li> <li>e) Kernel plant</li> <li>f) Tippler</li> <li>g) Steriliser</li> </ul>	
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
<b>Objective evidence:</b>	N/A as the Mill do not receive or process third party sources.	
<b>Criterion 4.2:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Evidence of good agricultural practices sighted in their SOP to manage soil fertility , documented evidences in terms of reports as well as practices sighted in the field visit . For example :</p> <ul style="list-style-type: none"> <li>• The estates undergo annual foliar and periodic soil analysis</li> <li>• Yearly agronomic visit by the IOI Research Sabah agronomist to provide agronomic and fertilizer recommendation .</li> <li>• Similarly the Group Plantation Director and General Manager Lahad Datu Region will occasionally visit the estate to ensure that agricultural practices are practiced.</li> <li>• Terrace construction along slopes and hilly terrain where applicable and recommended</li> <li>• Avoid bare ground and spraying of weeds confined to circles and unwanted , noxious and problematic weeds</li> <li>• Topographical and soil map available</li> <li>• SOP for manuring of immature and mature palms, EFB application and POME application</li> <li>• Pruned fronds stacked back into the field</li> </ul>	
4.2.2	Records of fertiliser inputs shall be maintained.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>There was no application during the audit at LP5 as the estate is awaiting delivery from the supplier</p> <p>Records of fertiliser inputs are maintained in the 'Costing Book for Manuring'</p> <p>Based on the fertiliser recommendation file , for Field 96D, the fertiliser NK Mix was recommended</p>	

at 3.5 kg per palm

In the Costing Book, the following is a sample of records of fertiliser inputs are maintained and sighted

Date of application : 13/10/15

Field: 96D

Ha: 45 ha

Fertiliser used: NK Mix 13.75/27

Quantity per palm: 3.5 kg / palm

Bags applied: 427 x 50kg bags

Method of application : Manual using a bowl calibrated by the estate personnel applied on frond heap.

No. of workers: 18 ( mandays )

Total Costing : RM 407.07 / ha

Based on the report , Oil Palm Fertiliser Recommendation Report for the Year 2015 was sighted:

The following table is the recommendation for Field 96D. Due to a delay in fertiliser supply , the estate is applying the July application in Oct 2015.

program for F96D ( Jul 2015 – Dec 2015 )

Month	Fertiliser	Kg/palm
Jul 2015	NK Mix	3.50 kg
Aug 2015	RP	2.50 kg

Similar records were sighted at PP3. As per the recommendation for F07C, NK Mix at 3 kg was seen applied on the frond heap by the manurers e.g Rizal.

Application is done manually and the work is piece-rated @ RM1.50 per bag. The application 'bowl' is calibrated and 6 bowls is equivalent to 3 kg.

Interview with the mandore, Marsanah, show that the manurers are aware of the buffer zone where no application is allowed .

The fertiliser was supplied late and as a result, the application scheduled in Aug 2015 was only applied in Oct 2015.

4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.	<i>Minor</i>
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<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
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<b>Objective evidence:</b>	<p>The foliar sampling was carried out in Apr 2015 in LP5 . Based on the report, 37 fields were sampled. Foliar sample analysis is done annually.</p> <p>For PP3, samples were collected in June – July 2015.</p> <p>Leaf levels of N, P, K, Mg, Ca and Boron were analysed .</p> <p>The analysis will be used by the agronomist for the fertiliser program. The Oil Palm Recommendation Report for Year 2015 for LP5 was sighted. It was done by the IOI Plantation Bhd Research Centre Sabah Agronomist, Mr Chua Soon Tat .</p> <p>The last soil sampling was conducted in Jan 2009 in LP5 and Nov 2014 for PP3</p> <p>Both soil from the frond heap ( FH ) and Palm Circle (PC) were sampled at 0 – 15cm and 15-45 cm depth</p> <p>Based on the records in LP5 for field 97X, the Org. C% levels were 1.14 % and 0.75% for the 0 – 15cm and 15 – 45cm depth respectively along the FH</p> <p>In PP3, based on the records for field 06A, the Org. C% levels are 0.74 % and 0.66% for the 0 –</p>
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	15cm and 15 – 45cm depth respectively. Samples were taken in the frond heap																																
	Other parameters analysed were pH, OM,N, P, K, Mg, Ca, CEC etc.																																
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues.		<i>Minor</i>																														
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/> No: <input type="checkbox"/>																														
<b>Objective evidence:</b>	<p>As part of the nutrient recycling strategy, Empty Fruit Bunches (EFB), Geo-tube solid and .Palm Oil Mill Effluent (POME), are applied back into the fields depending on the location and distance of the estate from the mill</p> <p>The POME is applied as land application in LP1 as the mill is within the estate whereas EFB is distributed to the various estates.</p> <p>In their SOP, the use of EFB as a mulching material is documented ' SOP for EFB Mulching 8.6.</p> <p>The nutrient recycling strategy include the use of EFB mulching to :</p> <ul style="list-style-type: none"> <li>a) improve the palm growth and oil yield per area</li> <li>b) conserve moisture and soil</li> <li>c) to improve the organic matter levels of the soil</li> </ul> <p>Application is applied to all fields regardless of soil type. Rates of application is recommended at 40 MT / ha . Even distribution application is ensured so that the EFB are not heap during application to avoid being a source of methane due to the breakdown under anaerobic activity</p> <p>In the EFB record of PP3 , application record of individual fields show that in Sept 2015 , F97B received 111.63 MT</p> <p>Pruned fronds are cut into half and placed back into the field along the frond rows as part of the nutrient recycling strategy. Fertiliser application normally will be placed on the frond heap to minimise fertiliser run-off.</p> <p>At LPOM, records where EFB and POME application is documented and be made available during the audit. EFB received and records are kept in the EFB Application Record Book.</p> <p>During the audit at LPOM the following was found summarised :</p> <p>Summary of EFB delivered for Sept 2015 and the POME solid despatch is also recorded .</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">SEPT2015</th> </tr> <tr> <th style="text-align: left;">ESTATES</th> <th style="text-align: center;">EFB ( MT )</th> <th style="text-align: center;">POME SOLID ( MT )</th> </tr> </thead> <tbody> <tr> <td>LP1</td> <td style="text-align: center;">284.87</td> <td style="text-align: center;">1283.15</td> </tr> <tr> <td>LP5</td> <td style="text-align: center;">45.08</td> <td style="text-align: center;">53.35</td> </tr> <tr> <td>PP1</td> <td style="text-align: center;">318.62</td> <td style="text-align: center;">35.15</td> </tr> <tr> <td>PP2</td> <td style="text-align: center;">623.02</td> <td style="text-align: center;">0</td> </tr> <tr> <td>PP3</td> <td style="text-align: center;">928.90</td> <td style="text-align: center;">0</td> </tr> <tr> <td>PP4</td> <td style="text-align: center;">898.65</td> <td style="text-align: center;">0</td> </tr> <tr> <td>M5</td> <td style="text-align: center;">-</td> <td style="text-align: center;">0</td> </tr> <tr> <td></td> <td style="text-align: center;"><b>3,099.14 MT</b></td> <td style="text-align: center;"><b>1,371.65</b></td> </tr> </tbody> </table> <p>In the files, both monthly amount delivered to the estate are recorded and in the estate record, application to the field that they are applied is recorded .</p> <p>On POME, records are found to be kept in the Leepang POM in the POME Application record file.</p> <p>All records are kept on a monthly basis. The following are the records reported during the last few</p>				SEPT2015		ESTATES	EFB ( MT )	POME SOLID ( MT )	LP1	284.87	1283.15	LP5	45.08	53.35	PP1	318.62	35.15	PP2	623.02	0	PP3	928.90	0	PP4	898.65	0	M5	-	0		<b>3,099.14 MT</b>	<b>1,371.65</b>
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	months:																		
	<b>Month</b>	<b>Total discharge / applied (m3) / 24 hr</b>	<b>FFB (MT)</b>	<b>m3/ 24hr / FFB MT</b>															
	June 2015	1409	24,336.39	0.057897															
	July 2015	1331	22,266.38	0.059776															
	Aug 2015	1494	27,616.33	0.054098															
	Sept 2015	1523	27,614.48	0.055152															
<b>Criterion 4.3:</b> Practices minimize and control erosion and degradation of soils.																			
4.3.1	Maps of any fragile/marginal soils shall be available.				<i>Major</i>														
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>														
<b>Objective evidence:</b>	<p>Maps and soil identification are documented.</p> <p>Both Reconnaissance Soil map 1:31,000 and 1:32,000 was sighted for LP5 and PP3 respectively and it show the following soil association :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Leepang 5 (Reconnaissance) soil Map</td> <td style="width: 50%;">PP3 (Reconnaissance) soil Map 1:32,000</td> </tr> <tr> <td>Rumidi 44%</td> <td>Kinabatangan</td> </tr> <tr> <td>Lokan 41%</td> <td>Lungmanis</td> </tr> <tr> <td>Lungmanis 8%</td> <td>Rumidi</td> </tr> <tr> <td>Sapi 4%</td> <td>Kretam</td> </tr> <tr> <td>Klias 2% ( 58.3 ha )</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Kretam 1%</td> <td style="text-align: center;">-</td> </tr> </table>					Leepang 5 (Reconnaissance) soil Map	PP3 (Reconnaissance) soil Map 1:32,000	Rumidi 44%	Kinabatangan	Lokan 41%	Lungmanis	Lungmanis 8%	Rumidi	Sapi 4%	Kretam	Klias 2% ( 58.3 ha )	-	Kretam 1%	-
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4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP.				<i>Minor</i>														
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>														
<b>Objective evidence:</b>	<p>The StOP for Land Preparation for new planting and replanting ( reviewed July 2011 ) Index No: 4.2 is referred for management strategy for plantings on slopes .</p> <p>In section 5.0 under terracing guidance is provided for :</p> <ul style="list-style-type: none"> <li>a) Construction of water conservation terraces</li> <li>b) Construction of terraces</li> <li>c) Construction of platform for planting</li> </ul> <p>According to the SPO team, Leepang Group will abide with the national law concerning no planting on areas &gt; 25°</p> <p>The area that is &gt;25° in LP5 is identified in the map titled 'Slope Map ' where areas &gt; 25° is highlighted . Based on the map 71 ha has been identified .</p> <p>In PP3 , the area with very steep area has also been identified and based on the analysis , 15% of the estate hectareage has been identified having &gt;25° degree slope.</p> <p>Field visit show that to minimise bare ground and erosion along undulating terrain , spraying is confined to path and circles.</p> <p>Fronds are stack against the slopes where possible.</p>																		
4.3.3	A road maintenance programme shall be in place.				<i>Minor</i>														



<b>Findings</b>	In compliance:	Yes:	x	No:			
<b>Objective evidence:</b>	In each estate , a road maintenance programme is in place with supporting budget and resources						
	In the expenditure account till Sept 2015, the following was recorded in the budget-expenditure file :						
	LP5		Estimate ( RM )			Expenditure till Sept 2015 ( RM )	
	Code PM 07- Roads - Grading , Resurfacing, Roadside and Cross Drains, Pruning Overhanging branches		217,000			46,300	
	Code PM 10 – Bridges and Culverts		16,000			12,700	
	PP3		Estimate ( RM )			Till Sept 2015 ( RM )	
Code PM 07- Roads - Grading , Resurfacing, Roadside and Cross Drains, Pruning Overhanging branches		78,900			9,100		
Code PM 10 – Bridges and Culverts		24,500			121.00		
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.						<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:			
<b>Objective evidence:</b>	Based on the soil maps, interview with the management and field visit , the peat area ( Klias series ) in LP5 was visited .						
	Based on the soil map there is 58.3 ha found in F 96K, 96J, 97Z and 97Y. Subsidence is monitored using a 'metered' stake at F97Y where they have been monitoring since 2012.						
	There are no peat areas in PP3.						
4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.						<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	x	No:			
<b>Objective evidence:</b>	According to the Asst Manager – Sustainability , although the SOP did not specify , however drainability assessment will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.						
	Drainability survey /assessment is conducted to ensure the the water table is maintained						
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils).						<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	x	No:			
<b>Objective evidence:</b>	In peat area , one of the most important aspect is water management.						
	In LP5 estate has maintained the water level to 50-75 cm in the main drain in the peat field F97Y						
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.							

4.4.1	An implemented water management plan shall be in place.	<i>Minor</i>								
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>									
<b>Objective evidence:</b>	<p>Water Management Plan and Management Action Plans for Leepang Grouping (covering both Mill and Estates) was reviewed on 17<sup>th</sup> August 2015 . It specified the following:</p> <ol style="list-style-type: none"> <li>1. Introduction;</li> <li>2. Water Management Plan Team members</li> <li>3. Operating Units; <ul style="list-style-type: none"> <li>- Identification of Physical System for Water Management;</li> </ul> </li> <li>4. Water Management Plan for LPOM; <ol style="list-style-type: none"> <li>4.1 Abstraction of water for FFB milling and domestic use;</li> <li>4.2 Water storage and use for FFB Processing and Domestic Purpose; <ul style="list-style-type: none"> <li>- Water Treatment;</li> <li>- Raw water treatment plant;</li> <li>- Domestic water treatment plant;</li> <li>- Monitoring;</li> <li>- Water consumption monitoring;</li> </ul> </li> <li>4.3 Waste water treatment and discharge management; <ul style="list-style-type: none"> <li>- Surface runoff of sediments from the mill</li> <li>- Ramp and marshalling Yard , Waste water from Boiler Ash, shell and Fibre</li> <li>- WQI of the river passing near oil mill</li> </ul> </li> <li>4.4 Palm Oil Mill Effluent (POME)</li> </ol> </li> <li>5. Water Management Plans for Estates;</li> </ol> <p>Soil moisture conservation programme include:</p> <ul style="list-style-type: none"> <li>- Pruned Fronds; EFB mulching, Fibre, Moisture Conservation of the hill and rolling terrains planting, Oil palm planting terraces, Flat alluvial land</li> <li>- EFB Mulching</li> <li>- Moisture conservation on Hill and rolling terrain planting</li> <li>- Oil Palm Planting Terraces</li> <li>- Flat alluvial Land</li> <li>- Peat Nature Land</li> <li>- Buffer Zone of Streams and rivers</li> <li>- Water for domestic use</li> <li>- Sewage and septic tank</li> <li>- Workshop, lubricant store</li> <li>- Water use for agrochemical use</li> </ul> <p>Monthly water usage for each estate and mill is captured in the water management plan. Leepang Group water consumption for domestic use for Yr 2014/15 is monitored as below :</p> <table border="1" data-bbox="363 1870 1225 2056"> <thead> <tr> <th>Estate and Mill</th> <th>Volume of domestic water usage</th> </tr> </thead> <tbody> <tr> <td>M5</td> <td>28,790 m3</td> </tr> <tr> <td>LPOM ( LP1 , LP5 )</td> <td>234,644 m3</td> </tr> <tr> <td>PP1</td> <td>1994.4 m3</td> </tr> </tbody> </table>		Estate and Mill	Volume of domestic water usage	M5	28,790 m3	LPOM ( LP1 , LP5 )	234,644 m3	PP1	1994.4 m3
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PP3	3008,250 lit													
PP4	6998,960 lit													
	<p>At PP3, the domestic water is sourced from a water catchment pond in F97F. Water is treated and the analysis of the 6 monthly interval was sighted. Result of the analysis dated 18/5/15 and 17/11/15 were sighted and the result show that the parameters were within the WHO Guideline.</p> <p>Water used for processing and domestic used is sourced from water catchment ponds. It will then be pumped to the water treatment plant where Coagulant 218/ PAC is used. No chlorine is used in the water treatment as the raw water are already within the WHO Guideline for drinking water.</p> <p>Results of the analysis by Permulab Sdn Bhd ) on 18/5/15 were checked .</p> <p>Parameters tested were Chlorine, pH, Turbidity, cations and anions, heavy metals , Total Coliform and E.coli. All parameters were below the threshold level specified Guidelines for Drinking Water Quality of WHO. This is done every 6 monthly.</p>													
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.	<i>Major</i>												
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 50%;"></td> </tr> </table>		In compliance:	Yes:	x	No:								
In compliance:	Yes:	x	No:											
<b>Objective evidence:</b>	<p>During the field visit in PP 3 riparian and buffer zone sites at 06C, 06A were visited. Natural riverine vegetation were sighted to form a buffer zone along the Sg Kretam . Palms along the identified buffer zones are marked with red paint to informed sprayers and manurers on prohibition of spraying or application of fertiliser in the buffer zones.</p> <p>Observed also in the same areas that there were no incidences of spraying along and within the buffer zone.</p> <p>Wastewater of LPOM is not discharged into waterways as it is applied back into the field as land irrigation</p>													
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6).	<i>Minor</i>												
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 50%;"></td> </tr> </table>		In compliance:	Yes:	x	No:								
In compliance:	Yes:	x	No:											
<b>Objective evidence:</b>	<p>LPOM has a permit to process 40 TPH and has the DOE license for the discharge of POME for land irrigation application .</p> <p>The specification approved by DOE are :</p> <ul style="list-style-type: none"> <li>a) BOD 20 mg/lit</li> <li>b) TSS &lt;400 mg/l</li> <li>c) O&amp;G &lt;50mg/l</li> <li>d) Ammoniacal – N &lt;150 mg/l</li> <li>e) Total Nitorgen 200 mg/l</li> <li>f) pH &gt;5 and &lt; 9</li> <li>g) Temp &lt; 45°C</li> </ul> <p>The following is the ponding system at the LPOM wastewater treatment plant.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 10%;">Pond No.</th> <th style="width: 60%;">Type and Function of Ponds</th> <th style="width: 25%;">Retention time ( days )</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">1</td> <td>Cooling Pond</td> <td style="text-align: center;">6</td> </tr> <tr> <td></td> <td style="text-align: center;">4</td> <td>Anaerobic Pond</td> <td style="text-align: center;">53</td> </tr> </tbody> </table>			Pond No.	Type and Function of Ponds	Retention time ( days )		1	Cooling Pond	6		4	Anaerobic Pond	53
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	1	Cooling Pond	6											
	4	Anaerobic Pond	53											

	5	Aerobic Pond	40
	1	Aerated Pond	7
	1	Final Pond	13
			<b>119</b>

The Mill uses Geotube Continual Desludging system . The effluent from Anaerobic Pond 4 will be pumped into the Geotube to remove solids and the effluent that comes out will be pumped back to Anaerobic Pond 3 which eventually flow into the following ponds.

At the final pond the discharge is then pump to the trenches in LP1

Based on the DOE Licence 004516 ( 1/7/15 – 30/6/16 ) for Alurair ( *Pengairan Ladang* ) the wastewater will be treated in a series of pond as per the plan, "Location Map, Detail Map, Typical Trench", No. Pelan:LEE/ENVS/001/08(sheet1/1) dated June 2008 and the effluent will be applied as land irrigation ( *Alurair ( Pengairan Ladang)* ) according to the plan,.

The irrigation trenches are located in LP1. Based on the Leepang estate 1 map the trenches are located in B196E, B196F, B296D, B296E, B296F, B296G having an estimated hectareage of 176 ha

Based on the Licence the BOD 3 days , 30° C should not exceed 20 mg/l

Based on the latest submission ( 01/10/15 ) of **Form AS.4** for the period July- Sept 2015, the parameters were within the permitted level set by DOE, except for the month of Aug 2015 where the BOD is slightly above the permitted of 20mg/l

Below are the BOD level analysed for the past few months:

	Sept '15	Aug '15	July '15	June '15	May '15	Apr '15
BOD	9.9	<b>21.6</b>	16	15	19.0	11.4

LPOM is monitoring the Geo tube usage and the quantity of solid extracted from the pond.

FY	QUANTITY OF SOLID EXTRACTED AND DEISPATCH
2013/14	<b>3,596.79</b>
2014/15	<b>9,171.82</b>
2015/16 ( TILL OCT 2015 )	<b>3,968.14</b>

LPOM is using this method to improve the BOD.

The solid when dry will be dispatch to the neighbouring estates as soil improvement . Records of amount delivered are recorded in the weighbridge.

4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.	<i>Minor</i>
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<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
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LPOM water use per tonne of Fresh Fruit Bunches (FFB) are monitored.

2014/15 Month	Mill Process ( Include Processing & Boiler use) M <sup>3</sup>	Process( MT / FFB )	M <sup>3</sup> / MT FFB Processed	Domes supply M <sup>3</sup>
July 14	26,650	21,325.66	1.39	34
Aug 14	37,811	29,756.10	1.27	60

Sept 14	42,555	30,167.64	1.41	64,518
Oct 14	49,835	32,500.71	1.53	63,651
Nov 14	48,210	35,736.05	1.35	61,914
Dec 14	43,880	32,811.50	1.34	103,660
Jan 15	42,231	28,282.46	1.49	61,852
Feb 15	29,232	20,258.94	1.44	56,530
Mac 15	31,626	21,173.72	1.49	47,172
Apr 15	32,677	22,890.14	1.43	21,428
May 15	24,894	23,864.14	1.04	23,824
June 15	35,891	24,336.39	1.47	26,683

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

4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored.	Major
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<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
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**Objective evidence:**

The estates has the following documented SOP for the implementation of IPM that identifies the potential pest and its thresholds such as :

10.0 Pest and Disease ( Integrated Pest Management) of

- rat control
- bagworm and nettle caterpillar
- rhinoceros beetle
- bunch moth, valanga, bunch moth, Termite, elephant, porcupine, orang utan control,
- Integrated Ganoderma control

In all the individual pest SOP, they have identified techniques used (cultural, biological, mechanical and physical methods

In each of the document they have a flow chart ' Integrated Pest management for the various pest' that involves

- a) Step 1 : Detection
- b) Step 2: Enumeration , pest census stage of pest
- c) Step 3: Manager/executive to make decision based on census
- d) Step 4; Intervention
- e) Census

Although they have not had leaf eating incidences for past years , planting of beneficial plants like *Turnera sp.*, *Antigonon sp.* and *Cassia sp* is ongoing especially in PP 3 as part of the programme to encourage predatory insects of leaf-eating caterpillars. Planting were sighted along the roads during the audit visit. Records of planting programme and records of type of beneficial plant is recorded based on 'chainage' . Record show that in Sept 2015, in F96A, they planted 0 chains of *Turnera*, 0.11 chain of *Antigonon*, and 0 chain of *Cassia*.

Map of the different beneficial plants planted was sighted

For rat census , the mill will report to the estate the crop rat damage and if the fresh damage is > 5%, PP3 will do census for rat as the 'bunch checker' will fill up the 'Rat damage Census ' . When the rat damage census is > 5% , baits will be applied .

	<p>In F08A , the estate census reported a fresh damage of 15% for the 26/6/15 census.</p> <p>Baiting commenced in 30/6/15 and ended after 3 rounds (6 days interval ) when the damage was below 20% .</p> <p>Records of application is recorded in the Pesticide Costing Book</p>																							
4.5.2	Training of those involved in IPM implementation shall be demonstrated.			<i>Minor</i>																				
<b>Findings</b>	In compliance:	Yes:	X	No:																				
<b>Objective evidence:</b>	<p>Training records of those involved in the implementation of IPM is minimal due to the fact that incidences of pest attack have been low for the past few years.</p> <p>The following are some of the 'training' record sighted :</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 15%;">Estate</th> <th style="width: 15%;">Date</th> <th style="width: 55%;">Training</th> <th style="width: 15%;">No. of participants</th> </tr> </thead> <tbody> <tr> <td>LP5</td> <td>14/7/15</td> <td>Beneficial plant propagation &amp; planting training</td> <td>4</td> </tr> <tr> <td>PP3</td> <td>15/9/15</td> <td><i>Taklimat &amp; latihan Cara Penanaman Tanaman Penghasil Nektar</i> : Beneficial plant propagation &amp; planting training</td> <td>6</td> </tr> <tr> <td>PP3</td> <td>15/9/15</td> <td>Rhinoceros Beetle Management</td> <td>2</td> </tr> <tr> <td>PP3</td> <td>15/9/15</td> <td>Bagworm</td> <td>6</td> </tr> </tbody> </table> <p>Some IPM implementation like planting of beneficial plants do not need 'training' , . Records of plantings were recorded in maps and in the 'Beneficial Plant Planting Programme.</p>				Estate	Date	Training	No. of participants	LP5	14/7/15	Beneficial plant propagation & planting training	4	PP3	15/9/15	<i>Taklimat &amp; latihan Cara Penanaman Tanaman Penghasil Nektar</i> : Beneficial plant propagation & planting training	6	PP3	15/9/15	Rhinoceros Beetle Management	2	PP3	15/9/15	Bagworm	6
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<b>Criterion 4.6:</b> Pesticides are used in ways that do not endanger health or the environment.																								
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.			<i>Major</i>																				
<b>Findings</b>	In compliance:	Yes:	x	No:																				
<b>Objective evidence:</b>	<p>A list for the justification of chemical used in the estate is sighted documented in the SOP file that include the chemicals:</p> <ul style="list-style-type: none"> <li>a) Glyphosate</li> <li>b) 2-4 D Amine</li> <li>c) Metsulfuron methyl</li> <li>d) Triclopyr butoxy</li> <li>e) MSMA</li> <li>f) Basta</li> </ul> <p>The estates has SOP or SaOP or safe operating procedure on the safe use of chemicals</p> <p>In their SOP, the estates SOPs have identified the selective products that are specific to target pests or weeds, which have minimal effect on non-target species</p>																							

4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.	<i>Major</i>																																																												
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																																																													
<b>Objective evidence:</b>	<p>Summary of pesticide/weedicide usage a.i kg/ha for the last 5 years is sighted . The following are the herbicides being monitored at LP5 and PP3</p> <p>The record details the individual active ingredient , area treated, quantity of the product in kg. lits or grammes and the amount of active ingredient applied per ha is recorded</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th>Product</th> <th>Jul 10'- Jun '11</th> <th>Jul 11'- Jun '12</th> <th>Jul 12'- Jun '13</th> <th>Jul 13'- Jun '14</th> <th>Jul 14'- Jun '15</th> </tr> </thead> <tbody> <tr> <td><b>LP5</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Metsulfuron a.i g/ha</td> <td>11.5674</td> <td>25.3251</td> <td>22.3135</td> <td>19.9863</td> <td>32.8542</td> </tr> <tr> <td>Glyphosate a.i lit/ ha</td> <td>1.4621</td> <td>1.6480</td> <td>1.3609</td> <td>1.5078</td> <td>2.0619</td> </tr> <tr> <td>Triclopyr a.i lit/ ha</td> <td>0.12262</td> <td>0.06902</td> <td>0.0756</td> <td>0.0473</td> <td>0.0771</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>PP3</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Metsulfuron a.i g/ha</td> <td>7.37</td> <td>12.2369</td> <td>21.8306</td> <td>22.9075</td> <td>34.1654</td> </tr> <tr> <td>Glyphosate a.i lit/ ha</td> <td>1.0825</td> <td>1.75</td> <td>2.437</td> <td>1.7499</td> <td>1.132</td> </tr> <tr> <td>Triclopyr a.i lit/ ha</td> <td>0.00598</td> <td>0.01645</td> <td>0.01084</td> <td>0.07161</td> <td>0.00505</td> </tr> </tbody> </table> <p>Records of pesticides use are available in the field staff costing book. The following is an extract from the book:</p> <p>Rat campaign as fresh damaged was &gt; 5%</p> <p>Date: 30 /6/15 – 13/7/15</p> <p>Field : 08A</p> <p>Ha: 12 ha</p> <p>Chemical use : STORM</p> <p>Dosage: 1 bait per palm</p> <p>Application : Manual at 6-7 days interval</p> <p>Manday: 8 manday</p> <p>Total cost per ha : 11.38 / ha</p> <p>Target: Rats</p>		Product	Jul 10'- Jun '11	Jul 11'- Jun '12	Jul 12'- Jun '13	Jul 13'- Jun '14	Jul 14'- Jun '15	<b>LP5</b>						Metsulfuron a.i g/ha	11.5674	25.3251	22.3135	19.9863	32.8542	Glyphosate a.i lit/ ha	1.4621	1.6480	1.3609	1.5078	2.0619	Triclopyr a.i lit/ ha	0.12262	0.06902	0.0756	0.0473	0.0771							<b>PP3</b>						Metsulfuron a.i g/ha	7.37	12.2369	21.8306	22.9075	34.1654	Glyphosate a.i lit/ ha	1.0825	1.75	2.437	1.7499	1.132	Triclopyr a.i lit/ ha	0.00598	0.01645	0.01084	0.07161	0.00505
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4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice.	<i>Major</i>																																																												
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<b>Objective evidence:</b>	<p>In PP3, as part of weeding programme to minimise pesticide usage, field inspection is done and the Assistants Yutim, Herman and Syverinus will decide on the spray cocktail and dosage based on the weed condition.</p> <p>Upon the analysis and identification of the field and the weeds, the appropriate programme and</p>																																																													

	<p>dosage is recommended by the field staff and the manager would approve prior to commencement.</p> <p>Occasionally , the GM, Mr Ragupathy will make some recommendation based on his experience.</p> <p>As in the recent premix using the introduction of the 'Interpump' spray equipment having a spray volume of 150 lit per ha , the following premix was recommended for general weed control :</p> <p style="margin-left: 40px;">a) Glyphosate @400 ml / 10 lit</p> <p style="margin-left: 40px;">b) Amine @ 30ml / 10 lit</p> <p style="margin-left: 40px;">c) Metsulfuron @ 30 g/10 lit</p> <p style="margin-left: 40px;">d) Activator @20 ml/ 10 lit</p>								
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).</p>			<i>Minor</i>					
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<b>Objective evidence:</b>	<p>Pesticide categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions are presently not used as they do not have any pest outbreaks .</p> <p>However they will abide to their SOP under specific situations identified in industry's Best Practice.</p> <p>Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).</p> <p>Paraquat is not used anymore in Leepang Grouping estates since the main assessment .</p>								
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p>			<i>Major</i>					
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In compliance:	Yes:	x	No:						
<b>Objective evidence:</b>	<p>The estate management and Sustainable team members are experienced personnel in their various fields. Although some of the staff are not in the agricultural field, IOI Corporation Bhd provides training for their staff upon appointment so that they are well-verse in their responsibilities.</p> <p>The Manager, Mr Manza Alex is overseeing LP5 has 17 years of plantation experience joining IOI in 1999.</p> <p>The Assistant , Mr Sufri joined IOI in 2012 graduated from UMS in B Agr Sc</p> <p>Mohd Zufadli Zuhri Estate Cadet Asst joined IOI in 2014 Dip. Electronic engineering and later completed the Plantation Management Certificate from Sabah Skill Tech Centre OUM</p> <p>Mr Agos Atan the Senior SPO has 5 years experience graduated with B.Sc ( Hons ) Conservation Biology from UMS.</p> <p>Mrs Zahidah Dahlan SPO Executive joined IOI in March 2013 graduated with B.Sc ( Hons ) Conservation Biology from UMS.</p> <p>Mrs Asmawati Arsjad , SPO Officer joined in 2013 graduated with BBA( hons ) Marketing from UiTM.</p> <p>Each mill and estate have their annual estate training programme depending on the needs of the estate.</p> <p>The following are some of the training done on workers' handling , using or applying pesticides. The training is conducted normally in Bahasa Malaysia that is understood by the staff and workers .</p>								



All pesticide handlers have completed appropriate training prior to application or handling.

Estate	Training	date	No. of workers
LP5	Triple rinse	5/3/15, 18/9/15	4 , 5
LP5	Re-entry	12/6/15	24
LP5	Premix CSDS	12/8/15	3
LP5	Buffer zone	16/2/15, 12/6/15	8 spray operator, 7
LP5	Pre-Mix	18/1/15	2
PP3	<i>Latihan Keselamatan &amp; Prosedur Kerja Penyembur racun</i>	25/2/15, 4/4/15, 2/9/15, 6/10/15	4
PP3	Usage of Interpump	29/9/15	4

Interview with the spray operators reveal that they understand the hazard and risk related to the chemical used . This can be seen by the PPE that is used by the operators.

They have access to clinic if adverse effect ( e.g.rashes or breathing difficulties)

MSDS are available at the Office, Chemical store and Clinic .

During muster, PPE worn are check and in addition, during operation staff and mandore check on the usage. PPE is used appropriately according to recommendations in risk assessments done. The management replaces damaged PPEs.

PPE is used appropriately according to recommendations in risk assessments done. During the visit at LP5 and PP3, the spray operators were equipped with googles, filtered mask, apron, gloves, protective boots. They were also attired with long sleeve shirt and pants to minimised chemical contact during operation .

Re-entry signage board are placed at field during application

**At PP3 in F97R, one of the female worker 'Interpump' spray equipment was faulty and she was not able to stop the flow/spray . However the mandore was able to manage the situation.**

**OBSERVATION 01**

4.6.6	Storage of all pesticides shall be according to recognized best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations.	<i>Major</i>
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<b>Findings</b>	In compliance:	Yes:	x	No:	
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<b>Objective evidence:</b>	<p>In LP5 and PP3 , storage of pesticide was found to be appropriately managed having it's own store</p> <p>The pesticides are stored in a separate store from the fertiliser or the mineral oils ( P.O.L ) store.</p> <p>Appropriate hazard , warning signs and emergency response procedure e.g spillage , telephone numbers are posted at the entrance of the store.</p> <p>The store is found to be lock and key.</p> <p>Proper roofing, both natural ventilation and workable ventilation fan and lighting was found .</p> <p>The pesticides are stored properly according to their types and shelving was available.</p> <p>Measuring equipment for volume &amp; funnels for dispensing were found to be sufficient sighted either at the chemical store or at the pre-mix area</p> <p>PPE , first aid kit were sighted at a storage rack at the entrance.</p> <p>Spill kit using rags in case of spills was sighted for LP5 and in PP3</p>
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	<p>Water source , eye wash &amp; emergency shower is sighted close by .</p> <p>Shower area/rooms are provided for workers to clean themselves up after work.</p> <p>All empty containers are stored in the empty chemical container store. They were checked and found to be triple rinsed and punctured prior to storage and disposal .</p> <p>Leepang Grouping Estates will send the empty containers and Scheduled Waste to the central collection centre in LPOM. The last delivery was done on 21/10/15 for 80 pcs weighing 110 kg , WB ticket 189705.</p> <p>Occasionally, PP3 and LP5 will relabelled the 20 lit containers to be used as pre-mix container.</p> <p><b>However some sighting of loose fruit scrapers made of the green empty chemical containers used by the harvester sighted at , F97P in PP3 as well as on the tractor used to transport the pre-mix chemicals in LP5.</b></p> <p><b>On the visit to one of the home at the line- site ( harvester Aras ) in LP5, the occupants were using a 20 lit green chemical container to store water.</b></p> <p><b>OBSERVATION 02</b></p>			
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	<p>Application of pesticide are by proven method such as the use of knapsack sprayer.e.g' Interpump' 10 lit .</p> <p>Rates of application are as per label or recommended by the management and normally the nozzles will be calibrated by the management prior to application.</p> <p>In PP 3, weeding is done using manual knapsack sprayer , 10 lit 'Interpump' using the low volume ( LV ) nozzle having a spray volume of 150 lit /ha</p> <p>PP3 replaced the previously used CDA due to the high replacement cost of the mechanised CDA. According to the Assistants, they had problem with the batteries and the dynamo of the CDA sprayers.</p> <p>Calibration was not done for the low volume (LV) nozzles as they were new.</p>			
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	No aerially spray application is done in the Leepang Group			
4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8).			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	<p>As there are no associated smallholders , continual training is done for their workers.</p> <p>Evidence of continual training to enhance knowledge and skills of employees on pesticide handling are available in the training file.</p> <p>A training programme is prepared annually and in the 2015 training programme, some of the training include training for pesticide handling. See 4.6.5 and 4.8.2 for some of the training conducted by the estates for workers handling pesticide.</p>			

4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Workers , workshop and staff are reminded and training provided on segregation of domestic waste, recyclable waste and Scheduled waste regularly.</p> <p>Scheduled Waste is stored at each estate prior to disposal.</p> <p>Domestic waste is disposed off in a dumpsite in field F96A in LP5 and 97B in PP3.</p> <p>Leepang Grouping Estates will send the empty chemical containers and Scheduled Waste to the central collection centre in LPOM. The last delivery was done on 21/10/15 for 80 pcs weighing 110 kg , WB ticket 189705.</p> <p>Documented evidence that the above was collected by Newgates Industires ( Borneo ) Sdn Bhd was sighted dated 22/10/15 for 840 kg . ref : 333653.</p> <p>The last delivery of Scheduled Waste from PP3 to the centre was sighted dated 24/8/15 , WB Ticket 187655 for the following SW:</p> <ul style="list-style-type: none"> <li>a) SW305 – 200 lit</li> <li>b) SW410 – 24 pcs</li> <li>c) SW102 – 4 pieces</li> </ul> <p>The evidence that it was collected by the approved collector was also sighted. Ref: Consignment Note for SW : A009103 dated 26/8/15 by Legenda Bumimas Sdn Bhd</p>	
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>In PP3 , annual medical surveillance is done by Dr Shaji AL Prathap Gopal HQ/12/DOC/00/259, Klinik Elopura , Sandakan . The following spray operators were sampled ,checked and records showed that they were found to be ' fit for work' .</p> <ul style="list-style-type: none"> <li>a) Rosmini@ SitiMminah Tike</li> <li>b) Norsiah Laima</li> <li>c) Marwati Suha</li> </ul> <p>Cholinesterase was not tested as organophosphate is not one of the pesticide used in their work .</p> <p>Similarly sample of spray operators at LP5 were also checked as the medical surveillance done on 9/04/15. Some of the workers sampled were:</p> <ul style="list-style-type: none"> <li>a) Mus Muliandi</li> <li>b) Rajamina Untung</li> </ul> <p>Husnah Hamal , one of the operator interviewed had not gone for her annual medical as she has just joined on 01/11/14</p>	
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>According to the Hospital Assistant, Ms Aminah, all female spray operators do their monthly check to ensure that they are not pregnant or breast-feeding .</p> <p>The estate has provided a list of female workers handling pesticides to the Hospital Assistant</p>	

	No work related to chemicals will be undertaken by pregnant or breast-feeding women			
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented				
4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.			Major
<b>Findings</b>	In compliance:	Yes:	x	No:
<b>Objective evidence:</b>	<p>In PP3 , the Occupational Safety and Health Policy/ <i>Polisi Keselamatan &amp; Kesihatan Pekerjaan</i> signed by Dato' Foong Lai Choong dated 11/07/2011 was sighted and written in appropriate language, Bahasa Malaysia and English made publicly available</p> <p>It will be briefed during induction training for the new workers so that they are aware of and understand the policy.</p> <p>In PP3, the Safety &amp; Health Plan prepared on 03 Aug 2015 was sighted , prepared by the Safety Officer , Mr Faizal Salleh responsible for the Safety and Health aspects of Morisem and Leepang Group of Estate and Mills</p> <p>The plan include:</p> <ol style="list-style-type: none"> <li>1. Introduction</li> <li>2. OSH Policy</li> <li>3. Safety and health Committee</li> <li>4. ERP</li> <li>5. Training Program</li> <li>6. Accident KPI</li> <li>7. Risk Assessment</li> <li>8. CHRA Action Plan</li> </ol> <p>The occupational health and safety plan covering all activities was sighted under the section 'Annual Safety and Health Program 2015.</p> <p>Implementation of the safety plan is sighted in the annual training programme that covers all aspects of estate activities. This can be sighted in the documented section ' Occupational Safety and Health Training Programme 2015 '</p> <p><u>Leepang Palm Oil Mill</u></p> <p>At the Mill , the Occupational Safety and Health Policy/ <i>Polisi Keselamatan &amp; Kesihatan Pekerjaan</i> signed by Dato' Foong Lai Choong dated 11/07/2011 was also sighted .</p> <p>Safety Health plans for LPOM is also sighted prepared on the 3/8/15 by Faizal Salleh , Safety Officer</p> <p>Similar topics as per estate Safety Health plans were sighted. However the CHRA action plans is still under review .</p> <p>For implementation of the safety plans, LPOM has established the folliwng:</p> <ol style="list-style-type: none"> <li>a) Safety and Health committee chaired by the mill manager</li> <li>b) ERP committee chaired by the mill manager</li> <li>c) Contact numbers during emergency ( new inclusion: BOMBA Kinabatangan )</li> <li>d) ERP plans for spills, physical injury , chemical spillage, fire, lorry driver,</li> <li>e) OSH Monthly KPI reporting that include: <ul style="list-style-type: none"> <li>- Accident</li> </ul> </li> </ol>			

	<ul style="list-style-type: none"> <li>- Poisoning</li> <li>- Training</li> </ul> <p>f) Quarterly OSH meeting</p> <p>During the quarterly OSH meetings, effectiveness of the health and safety plan is monitored and reports on the implementation of OSH aspects discussed. For those objectives not achieved an action plan will be implemented to ensure targets are achieved.</p>					
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p>	<i>Major</i>				
<b>Findings</b>	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td>X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:	
In compliance:	Yes:	X	No:			
<b>Objective evidence:</b>	<p>All operations where health and safety is an issue were risk assessed, and procedures and actions are documented . This can be sighted in the 'Hazard Protection and control measures : HIRARC form' .</p> <p>In PP3, the latest HIRARC form sighted was dated Aug 2015 and the review will be conducted in Jan 2016.</p> <p>The risk assessment was conducted by the following personnel:</p> <ul style="list-style-type: none"> <li>a) Faizal Salleh</li> <li>b) Herman Hajan ( Asst manager )</li> <li>c) Yutim Yumin ( Cadet Assistant )</li> <li>d) Syverinus Ronnie Sidom (Cadet Assistant)</li> </ul> <p>Activities sighted includes operations at;</p> <ul style="list-style-type: none"> <li>a) Field Operation</li> <li>b) Workshop</li> <li>c) Storage</li> <li>d) Loading ramp, Transportation, etc</li> </ul> <p>In LPOM the latest HIRARC form sighted was dated Aug 2015 and the review will be conducted in Jan 2016.</p> <p>The risk assessment was conducted by the following personnel:</p> <ul style="list-style-type: none"> <li>a) Faizal Salleh, Safety Officer</li> <li>b) Mr Edmund Norbert , Mill Manager</li> <li>c) Mr Bastean Baddu, Cadet Engineer</li> <li>d) Mr Mohd Aidil Mohd Anni, Cadet Engineer</li> </ul> <p>Activities sighted includes operations at;</p> <ul style="list-style-type: none"> <li>a) Weighbridge</li> <li>b) FFB grading</li> <li>c) Loading ramp</li> <li>d) Work stations such as Steriliser, Tippler, threshing, EFB Press, EFB Hopper, Press, Oil Room, Kernel plant and Despatch, Boiler and Engine room</li> <li>e) Workshop</li> <li>f) Confined space HiRARC</li> </ul>					

	<p>The HIRARC form include the following to ensure that procedures and action plans been documented and implemented to address the identified issues:</p> <p>a) Hazard Identification – work activity, Hazard, effect,  b) Risk analysis- Existing Risk control,( Likelihood, severity, risk )  c) Risk control - Recommended control measures, PIC</p>																					
4.7.3	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p>			<i>Major</i>																		
<b>Findings</b>	<p>In compliance:    Yes:    <input type="checkbox"/>    No:    <input type="checkbox"/></p>																					
<b>Objective evidence:</b>	<p>In LPOM , summary of the training conducted and the training plan was sighted . Based on the summary of conducted training for the period Jan – Oct 2015, there were 23 training conducted for the various aspects that include safe working practices .</p> <p>Similar safety awareness training plan were available for the estates. Training cover all operations, such as pesticide application and handling , harvesting manuring , transportation etc.</p> <p>During operation , workers PPE will be check to ensure that they are in proper condition an worn out or damaged PPE are replaced.</p> <p>Workers are to bring back the worn-out PPE for a replacement . The estate maintains the PPE issuance .</p> <p>During audit , it was observed and noted that harvesters, spray operators, manurers and drivers have the proper PPE during operation</p>																					
4.7.4	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p>			<i>Major</i>																		
<b>Findings</b>	<p>In compliance:    Yes:    <input checked="" type="checkbox"/>    No:    <input type="checkbox"/></p>																					
<b>Objective evidence:</b>	<p>In PP3 , the Safety &amp; Health Org Chart was sighted , headed by the Manager , En Abdul Halim Achmat.</p> <p>At LPOM, similarly the mill manager, Mr Edmund Norbert is the overall responsible person appointed.</p> <p>Records of meeting were also sighted</p> <p>In PP3 and LPOM , the following were the safety meetings conducted between the responsible person/s and workers</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">site</th> <th style="width: 30%;">date</th> <th style="width: 40%;">No. of participants</th> </tr> </thead> <tbody> <tr> <td>PP3</td> <td>3/4/15,</td> <td>25 attendees</td> </tr> <tr> <td>PP3</td> <td>10/8/15</td> <td>25 attendees</td> </tr> <tr> <td>PP3</td> <td>1/10/15</td> <td>33 attendees</td> </tr> <tr> <td>LPOM</td> <td>9/3/15</td> <td>19 attendees</td> </tr> <tr> <td>LPOM</td> <td>8/5/15</td> <td>18 attendees</td> </tr> </tbody> </table>				site	date	No. of participants	PP3	3/4/15,	25 attendees	PP3	10/8/15	25 attendees	PP3	1/10/15	33 attendees	LPOM	9/3/15	19 attendees	LPOM	8/5/15	18 attendees
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LPOM	9/3/15	19 attendees																				
LPOM	8/5/15	18 attendees																				

	L POM	11/9/20	20 attendees						
	<p>In the 1/10/15 meeting at PP3, the following were discussed :</p> <ul style="list-style-type: none"> <li>a) Accident report</li> <li>b) ERP</li> <li>c) Work clothes to work</li> <li>d) Street lighting</li> <li>e) Safety during tractor passing through the linesite</li> </ul> <p>In the latest meeting at L POM the following were discussed:</p> <ul style="list-style-type: none"> <li>a) OSH promotion and training</li> <li>b) ERP – evacuation Point marking</li> <li>c) Enforcement and Inspection</li> <li>d) Accident reporting and Investigation</li> <li>e) Hygiene and Landscape</li> <li>f) Proper record and filing</li> </ul>								
4.7.5	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p>		<i>Minor</i>						
<b>Findings</b>	<p>In compliance:    Yes:    <input checked="" type="checkbox"/>    No:    <input type="checkbox"/></p>								
<b>Objective evidence:</b>	<p>ERP for the following were sighted:</p> <ol style="list-style-type: none"> <li>1. Chemical Spillage In storage / Premix</li> <li>2. Fire</li> <li>3. Physical Injury'</li> <li>4. Chemical Spillage In field</li> <li>5. Tractor Driver</li> <li>6. Flood</li> </ol> <p>Accident procedures are available in the appropriate language of the workforce posted at chemical, fertiliser and lubricant store , workshop , linesite area, Muster ground , .</p> <p>First aid kits were found at the work site carried by the mandores of harvesting, spraying and manuring or staff. They were also found at the Office, workshop and chemical store.</p> <p>Interview with the mandores showed that they have been briefed by the Hospital Assistant on the use of the products in the first aid kits</p> <p>PP3 is monitoring the accidents monthly and summarised in the ' Monthly Accident Key performance Indicator ( KPI ) form.</p> <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td></td> <td>2014</td> <td>As of Sept 2015</td> </tr> <tr> <td>No. of workdays</td> <td>300</td> <td>222</td> </tr> </table>				2014	As of Sept 2015	No. of workdays	300	222
	2014	As of Sept 2015							
No. of workdays	300	222							

	No. of workers	367	365
	No. of accidents	18	9
	LTI	17	8
	Report to JKPP	3	0
	LPOM is monitoring the accidents monthly and summarised in the ' Monthly Accident Key performance Indicator ( KPI ) form.		
	2014	As of Sept 2015	
No. of workdays	n.a	273	
No. of workers	152	148	
No. of accidents	9	1	
LTI	35	2	
Report to JKPP	1	0	
Accident records are found to be updated on a monthly basis (using JKPP 6 form) for both Mill and Estates. Observed also JKPP 8 is used for reporting the accident records at a yearly basis			
4.7.6	All workers shall be provided with medical care, and covered by accident insurance.		<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/> No: <input type="checkbox"/>
<b>Objective evidence:</b>	<p>All Workers (both local and foreign) are found to be covered by the valid accident insurance.</p> <p>Local Workers are bound to subscribe to EPF and SOCSO.</p> <p>The insurance policy of the following were sighted were up –to-date :</p> <ul style="list-style-type: none"> <li>• PP3 – MSIG Insurance – Policy No. DL-09177667--FWC with a validity from 01 October 2015 to 30 September 2016 for 153 workers was sighted.</li> <li>• L POM – MSIG Insurance – Policy No. DL-09175762-FWC with a validity from 01 October 2015 to 30 September 2016 for 84 workers. Workers that are not listed on the policy are covered under a separate policy , Policy No: DL-09174113-WC , 01 October 2015 to 30 September 2016.</li> </ul> <p><u>Leepang Palm Oil Mill</u></p> <p>Audiometric test was conducted by Klinik Mansor : <i>Ujian program audiometric ( tahunan) Akta Kilang dan Jentera ( Bunyi Bising ) 1989</i> Audiometry Testing Programme Factories and Machinery ( Noise Exposure) Regulation 1989 Report no: ATP/2015051701 conducted on 17/5/15 for 107 persons. Form the test , 11 workers were reported to have Standard threshold shift ( STS ) and were recommended for a repeated test within 3 months ( according to the <i>Peraturan akta 23 Akta Kilang dan jentera ( Bunyi Bising ) 1989</i></p> <p>LPOM sent 9 workers for the repeat test instead of 11 as one had resigned ( Kamarudin Tahia ) and the other ( Mohd Herdan ) went back to Indonesia for holiday during the period that re-test was conducted on 13/10/15. Result show that they ' no longer in the STS' and 'Hearing Impairment' and were allowed to continue in their responsibility with the appropriate PPE.</p> <p>Workers and employees have access to medical care and estates and mill will provide transport to hospital in Kinabatangan or Lahad Datu in cases of emergency.</p>		



4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.	<i>Minor</i>																																				
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>		In compliance:	Yes:	x	No:																																
In compliance:	Yes:	x	No:																																			
<b>Objective evidence:</b>	<p>LPOM and the estates is using the Monthly OSH KPI to monitor the occupational injuries and the LTA metrics can be obtained from the document</p> <p>PP3 is monitoring the accidents monthly and summarised in the ' Monthly Accident Key performance Indicator ( KPI ) form.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2014</th> <th style="text-align: center;">As of Sept 2015</th> </tr> </thead> <tbody> <tr> <td>No. of workdays</td> <td style="text-align: center;">300</td> <td style="text-align: center;">222</td> </tr> <tr> <td>No. of workers</td> <td style="text-align: center;">367</td> <td style="text-align: center;">365</td> </tr> <tr> <td>No. of accidents</td> <td style="text-align: center;">18</td> <td style="text-align: center;">9</td> </tr> <tr> <td>LTI</td> <td style="text-align: center;">17</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Report to JKKP</td> <td style="text-align: center;">3</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p>LPOM is monitoring the accidents monthly and summarised in the ' Monthly Accident Key performance Indicator ( KPI ) form.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2014</th> <th style="text-align: center;">As of Sept 2015</th> </tr> </thead> <tbody> <tr> <td>No. of workdays</td> <td style="text-align: center;">n.a</td> <td style="text-align: center;">273</td> </tr> <tr> <td>No. of workers</td> <td style="text-align: center;">152</td> <td style="text-align: center;">148</td> </tr> <tr> <td>No. of accidents</td> <td style="text-align: center;">9</td> <td style="text-align: center;">1</td> </tr> <tr> <td>LTI</td> <td style="text-align: center;">35</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Report to JKKP</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>			2014	As of Sept 2015	No. of workdays	300	222	No. of workers	367	365	No. of accidents	18	9	LTI	17	8	Report to JKKP	3	0		2014	As of Sept 2015	No. of workdays	n.a	273	No. of workers	152	148	No. of accidents	9	1	LTI	35	2	Report to JKKP	1	0
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Criterion 4.8: All staffs, workers, smallholders and contract workers are appropriately trained.																																						
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.	<i>Major</i>																																				
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>		In compliance:	Yes:	x	No:																																
In compliance:	Yes:	x	No:																																			
<b>Objective evidence:</b>	<p>At LPOM the 2015 training programme was sighted prepared on Jan 2015. It is divided to :</p> <ul style="list-style-type: none"> <li>a) Environment</li> <li>b) Safety</li> <li>c) Social</li> </ul> <p>LPOM and the estates do not keep records on training for individuals . However , training attendance is recorded as trainings participation are for the relevant workers that are involved in the operation</p> <p>During their morning briefing (e.g. 7/7/15) , mill workers are regularly brief of the use of ear plug in high noise area.</p> <p>Some of the trainings are as below</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Mill / Estate</th> <th style="width: 15%;">Date</th> <th style="width: 45%;">Training</th> <th style="width: 25%;">Participant</th> </tr> </thead> <tbody> <tr> <td>LPOM</td> <td style="text-align: center;">8/1/15</td> <td>SOP grading</td> <td style="text-align: center;">6</td> </tr> </tbody> </table>		Mill / Estate	Date	Training	Participant	LPOM	8/1/15	SOP grading	6																												
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LPOM	9/10/15	High Noise	16
LPOM	2/10/15	SOP air compressor	48
LPOM	28/9/15	SOP System LOTO	55
LPOM	20/10/15	SOP and StOP Boiler and engine room	43
LPOM	17/9/15	New worker induction	22
LPOM	7/9/15	SOP steriliser	4
LPOM	6/10/15	Scheduled Waste , Recycling, domestic waste training	71
LPOM	10/10/15	CPR	41
LPOM	20/10/15	First Aid	87
LPOM	2/1/15	ERP and Fire Drill	102
LPOM	20/10/15	Confined Space Training , working at Height , permit application	43

- The following are the list of names and their valid competency for authorised entrant and standby person for confined space ( AESP ) , Authorised Gas Tester ( AGT ) , Engine Pembakaran Dalam ( IPD ) :

Edmund Norbert	Mill Manager	Steam Engineer Grade 2, AESP
Jamal Acho	electrician	AGT and AESP
Juneo Sinood	Boilerman	AGT and AESP
Samad Saguni	Supervisor	AGT and AESP
Orong Sahap	Engine driver	Engine driver grade 1
Fadlee Abdin	Engine driver	Engine driver grade 1

4.8.2	Records of training for each employee shall be maintained.	<i>Minor</i>
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<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
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<b>Objective evidence:</b>	The estate and mill keeps records of participation/attendance for the relevant workers that are involved in the operation/training
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**Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity**

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

5.1.1	An environmental impact assessment (EIA) shall be documented.	<i>Major</i>
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<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
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<b>Objective evidence:</b>	The Environmental Impact Assessment for period of June 2012 until May 2017, Management Action Plans and Continuous Improvement Programme dated 20 August 2014 for estates are available. Management Action Plans and Continuous Improvement Programme is updated and reviewed. There is a documented minute of meeting on consultation with stakeholder relating to social and HCV impact assessment.
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5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	EIA of each estates and mill are being implemented and monitored thru Management Action Plans and Continuous Improvement Programme that has been reviewed on yearly basis	
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	For the identified environmental impacts in the Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan, mill and estates has identified with mitigation measures to reduce its impacts. Monitoring is through the annual review on the Environmental Impact Assessment are recorded in the Review Document For Environment Impact Assessment.  Positive and negative impacts, plans and monitoring programmes for mill and estates such have been included and recorded in the report.	
<b>Criterion 5.2:</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.		
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Sighted an assessment report of “High Conservation Value (HCV) & Conservation Area Assessment and management Plan”  Identified HCV are classified into 6 categories, i.e. forest areas containing globally, regionally or nationally significant concentrations of biodiversity values; forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not naturally occurring species exist in natural patterns of distribution and abundance; forest areas that are in or contain rare, threatened or endangered ecosystems; forest areas that provide basic services of nature in critical situations; forest areas fundamental to meeting basic needs of local communities and forest areas critical to local communities’ traditional culture identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).  In all estates visited, protection of waterways from negative impacts is addressed through riparian buffer zones.  Hunting activities surrounding natural areas are monitored and controlled and signages of ‘No hunting ‘ are in place	
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	There was not rare, threatened or endangered (RTE) species being identified based on the HCV assessment report reviewed during the audit/  The action plans and monitoring programmes are avoiding spraying and manuring along the buffer zone, training for sprayers and manurers on buffer zone maintenance, continue to grow the natural vegetation and maintain it, no logging or weeding in the estate steep hills, proper signage at the hill conservation areas within the estate, etc.	
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	

<b>Objective evidence:</b>	Based on the HCV assessment report, some measures being implemented as part of educating workers at all level, such as training on sprayers not to spray the steep hill areas, educating the employees on the importance of buffer zone maintenance in the estate.  Notices been circulated companywide that appropriate disciplinary action will be imposed in accordance to company and national law if found anyone violating.			
5.2.4	Where an action plan has been created there shall be ongoing monitoring			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	HCV action plan which had been determined was found monitored in yearly assessment. Records e.g. Record of buffer zone maintenance training, Map showing buffer zones marking along the streams and tributaries, Contact information of Department of Drainage and Irrigation, HCV Patrolling book, Field map showing the boundary with the forest reserve, et were available as evidences of ongoing monitoring.			
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	This is not applicable to IOI Corporation – Leepang as the estates and mills are surrounded by the neighbouring estates and there was no local communities have been identified			
<b>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b>				
5.3.1	All waste products and sources of pollution shall be identified and documented.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	Waste management plan has been referred in the Pollution Prevention Plan that can be sought after within the EIA document. The plan contains the identification of the pollutions, the environmental impact of the pollution, the action plan and documents that need to be reviewed by the management. Several pollution source that has been identified at least were as follows: <ul style="list-style-type: none"> <li>• EFB</li> <li>• Boiler ash</li> <li>• Disposal of spent oil/lubricants and empty chemical containers</li> <li>• Diesel/fossil fuel used</li> <li>• Office/domestic waste</li> <li>• Pesticides derived from store and pre-mixing area</li> <li>• Scrap metal and used tyre</li> <li>• POME</li> <li>• Workshop</li> <li>• Landfill</li> <li>• Generator</li> </ul>			
5.3.2	All chemicals and their containers shall be disposed of responsibly.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	Operational plan have been developed and implemented to avoid or reduce pollutions. Delivery of Schedule Waste is evident in Sixth Schedule of Environmental Quality (Scheduled Waste) form. Monitoring of SW currently under storage is recorded in Fifth Schedule of DOE (Inventori Buangan Terjadual) form.			
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No: X
<b>Objective evidence:</b>	Waste management plan available. However, it were found that ;			

	<p><b>Recycled wastes (PET bottles, aluminium can etc) was found disposed inappropriate manner at Leepang 5 landfill.</b></p> <p><b>In the Recycling site at PP3, a bag of SW material (2T oil containers) was found in the plastic centre.</b></p> <p><b>Empty Ellytech packs found thrown beside the empty chemical container storage site.</b></p> <p><b>Minor 20</b></p>																								
Criterion 5.4: Efficiency of energy use and use of renewable energy is maximized.																									
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.	<i>Minor</i>																							
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																								
<b>Objective evidence:</b>	<p>Leepang Palm Oil Mill has recorded the actual weight of FFB and fibers used for boiler. Trend of the renewable fuel input against the energy produced for every metric tonne FFB processed recorded on a monthly basis is available.</p> <p>Detail record is as below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">Diesel used</th> <th rowspan="2">Process ( MT / FFB )</th> <th rowspan="2">Direct fossil fuel use/tCPO or tFFB;</th> <th colspan="2">Amount of biomass used to generate Renewable Energy</th> <th rowspan="2">kWh generated from the RE</th> </tr> <tr> <th>shell</th> <th>fiber /others</th> </tr> </thead> <tbody> <tr> <td>2014/2015</td> <td>784,839</td> <td>323,103.88</td> <td>2.429</td> <td>6,785.18</td> <td>27,140.73</td> <td>9,535,918.77</td> </tr> <tr> <td>2015/2016</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		Year	Diesel used	Process ( MT / FFB )	Direct fossil fuel use/tCPO or tFFB;	Amount of biomass used to generate Renewable Energy		kWh generated from the RE	shell	fiber /others	2014/2015	784,839	323,103.88	2.429	6,785.18	27,140.73	9,535,918.77	2015/2016	-	-	-	-	-	-
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2015/2016	-	-	-	-	-	-																			
Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.																									
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.	<i>Major</i>																							
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>																								
<b>Objective evidence:</b>	For estates, no burning policy is to comply with 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003 and is documented in Group Standard Operating Procedure (StOP) For Land Preparation For New Planting and Replanting which was prepared in September 2007 and July 2011 and communicated to IOI Group through the memorandum #MPOM/GM/2011/077 dated 07/07/2011.																								
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.	<i>Minor</i>																							
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>																								
<b>Objective evidence:</b>	Observation during the field visit showed that zero-burning is advocated during replanting .																								
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.																									
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	<i>Major</i>																							
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> X No: <input type="checkbox"/>																								
<b>Objective evidence:</b>	<p>The EIA assessment is used as a baseline for identifying polluting activities. The stack emission results are documented in the <i>Jadual Pelepasan Asap Hitam Dari Cerobong</i> and comply with the specification. Smoke recorder through smoke density device was on line recording (Continues Emission Monitoring System) and send to DOE and results records were kept in the mill.</p> <p>The mill has developed an air pollutant assessment by creating identification waste sources that includes air pollutant waste in EIA report.</p> <p>In estate, a matrix table (part of the EIA report contents) effectively documented on pollutions that</p>																								

	categorized into domestic waste, schedule waste, reusable waste and non-reusable waste.	
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimize them implemented.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The treatment methodology for POME is well defined and closely monitored. Besides, the plans which identify to reduce or minimize GHG emissions are documented in Environmental Impact Assessment Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan.	
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The document available to ensure a system in place to monitor emission of pollution including greenhouse gases from estates and mill operations which named “Greenhouse Gas Calculations “.	
<b>Principle 6: Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Mills</b>		
<b>Criterion 6.1:</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Social Impact Assessment & Management Action Plans and Continuous Improvement Plans (July 2012 – June 2017) is available. There is a documented minute of meeting on consultation with stakeholder relating to social and HCV impact assessment. Latest review of document is on 06 Oct 2015.	
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>SIA is carried out with participation of affected stakeholders as listed on List of Stakeholders.</p> <p>5 groups of stakeholders that includes Governmental organizations ( 4 personnel) , Employees Consultative Committee members (1) , Neighbouring estates and small holders (2) , Internal Management personnel ( 10) and contractors /suppliers (10) . Minutes of meeting dated 19 July 2012 is available</p> <p>Record of stakeholder consultation is made available in Social and HCV Impact Assessment Meeting Minute dated 02 Sept 2015 is available.</p> <p>Agenda of meetings includes the followings:</p> <p>Explanation of standard procedure for :</p> <ol style="list-style-type: none"> <li>1. Eradication and Prevention of Sexual Harassment</li> <li>2. Stakeholder Request – Corporate Level</li> <li>3. Stakeholder Request – Estate or Mill Level</li> </ol>	
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Sample estates have developed the Management Action Plans and Continuous Improvement Plan in order to resolve social issues adequately, in terms of clearly outlining the responsibilities for mitigation and monitoring. The implementation of SIA has been monitored in the monitoring records for specific activities such as, gender issues can be gauge in the Gender Committee records, Workers issues can be gauge in the complaint form, Employees Consultative Committee,	

	and etc. The identification of social impacts for Permodalan 4 and Leepang 5 has been carried out with consultation with other affected parties including women and migrant workers. Discussion of positive and negative impacts and action plans being discussed and recorded in minutes of meeting dated 06 Oct 2015.	
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	IOI Leepang have maintained their procedure on communication and consultation between management and stakeholders. The consultation and communication procedure is integrated in Social Impact Assessment (SIA). The procedures describe the procedures and mechanism to be taken should any stakeholders being the external or internal wish to communicate with the company on any issues concerning their interest. Example of communications procedures viewed are as follows: i) Grievance reporting flowchart ii) Stakeholder request procedure (corporate and estate level) iii) Grievance procedure for land owner issues	
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme)	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
<b>Objective evidence:</b>	Not applicable as the certification unit does not have such scheme.	
<b>Criterion 6.2:</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1	Consultation and communication procedures shall be documented.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Documented and communication procedure are available in the following documents : 1. Grievance Procedure 2. Stakeholder Request Procedure 3. Grievance Procedure for Land Owner Issues	
6.2.2	A management official responsible for these issues shall be nominated.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Estates visited has nominated Social Liaison Officer in order to cater all social issues, needs and well being of their stakeholders.	
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Estates visited have maintained their list of stakeholders, records of communication, complaint and request as well as records of actions taken in response to input from stakeholders. All communication records can be gauge in the several sources such as complaint/grievance book, CSR records, Gender committee records, ECC records.	
<b>Criterion 6.3:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.	<i>Major</i>

<b>Findings</b>	In compliance:	Yes:	x	No:		
<b>Objective evidence:</b>	<p>IOI Leepang has established the procedures to resolve the grievance raised in the form of flow chart that is formulated in both English and Malay language and is found to be posted on the company's notice board.</p> <p>Procedures to resolve the grievances involving land issues is available that contain the following steps:</p> <ul style="list-style-type: none"> <li>• Direct Negotiation;</li> <li>• Arbitration if Direct Negotiation is not able to solve the grievance;</li> <li>• Native Court if Arbitration is not able to solve the grievance; and</li> <li>• Civil Court as the ultimate platform if Native Court is not able to solve the grievance.</li> </ul>					
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>At estates visited, the Grievance/Request Record Book are viewed and found that all request and grievances are recorded on a case by case basis stating the details of the complainant, the date as well as the action taken following the complaints raised.</p> <p>For all grievances recorded, observed that generally the follow-up action has been taken within 5 working days from the day the complaints received.</p>					
<b>Criterion 6.4:</b> 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						
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	To date, Leepang POM and Estates does not have any dispute on legal, customary or user rights . However, the flowchart namely "Grievance Procedure for Land Owner Issues" is available					
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	To date, there are no disputes related to legal, customary or user right from local communities or stakeholders.					
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	To date, there is no compensation claims made by anyone.					
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.						
6.5.1	Documentation of pay and conditions shall be available.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	<p>The documentation of pay and conditions is verified and found to be adequate. The documentation covers the following:</p> <ol style="list-style-type: none"> <li>a) salary in the form of pay slips and payment records for contract workers and company workers detailing the basic pay, deductions, overtime, bonuses, allowance etc;</li> <li>b) documentation of legalisation of migrant workers; and</li> <li>c) employment agreement is drawn up for foreign workers at all estates and the mill, outlining</li> </ol>					



	their pay and conditions.				
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>Employment contract for foreign workers available and maintained by the management. There are terms of reference for signed contracts between employers and employees stipulating the position, working hours, type of work, location of work, workers' responsibility, wages, allowances, holidays, rest days, annual leave, fringe benefits, levy deductions (for foreign workers), dismissal, etc.</p> <p>Interview with several employees at the estates and mill visited found out that they understood and has been explained by the management regarding employment contract, terms and condition stipulated in the contract.</p>				
6.5.3	Growers and millers shall provide 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) or above, where no such public facilities are available or accessible (not applicable to smallholders).				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:	X
<b>Objective evidence:</b>	<p><b>Improper/illegal electrical wiring (e.g. without casing/cover) are observed at houses visited at Leepang 5 and Permodalan 4 Estates.</b></p> <p><b>Creche at Leepang 5 Estate also observed using high density wooden bar that not properly installed to hold "buai" which may falling down and cause serious accident to children</b></p> <p><b>Minor 21</b></p>				
6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	Workers have access to the sundry shops where the prices of essential items are reasonably priced similar to the local pricing surrounding them.				
<b>Criterion 6.6:</b> The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.					
6.6.1	A published statement in local languages recognising freedom of association shall be available.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	The policy statement entitled "Equal Opportunity Employment & Freedom of Association Policies" authorized by Group Plantation Director is available.				
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective evidence:</b>	<p>At Leepang, Employees Consultation Committee (ECC) has been established by employees including foreign workers to negotiation with the managements.</p> <p>ECC has conducted meeting that discussing issue that highlighted with all employees. Issues discussed are related to improvement on housing facilities etc.</p> <p>Minutes of meeting records for year 2015 are sighted during the audit.</p>				
<b>Criterion 6.7:</b> Children are not employed or exploited.					
6.7.1	There shall be documentary evidence that minimum age requirements are met.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:	
<b>Objective</b>	The minimum age of 18 years old in the policy statement is maintained.				

<b>evidence:</b>	Employee records that includes "Employees Mater List Record" showed that employment age requirement is met. Ground observation during surveillance visit also does not show evidence to suggest employment of underage workers.			
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age is prohibited.				
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	There is a publicly available equal opportunities policy which states that the company is an equal opportunity employer, whereby the company does not practice discrimination based on race, caste, national, origin, disability, gender, sexual orientation, union membership, political affiliation, or age, except for positive discrimination.			
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	No evidence that employees have been discriminated by the company. Interviews with field workers (Indonesian), women workers as evidence. Evidences of non-discriminated includes the followings: <ul style="list-style-type: none"> <li>- Priority employment for local priorities</li> <li>- Women right</li> <li>- Provide free hospitalization, clinic etc.</li> </ul> So far no records of complaints again discrimination.			
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	Recruitment, selection and hiring of workers are based on skills, capabilities and medical fitness according to job scope.  The positions held by workers are commensurate with their skills and experience. For example, Boilerman, Lab Supervisor, Engine Room Operator and Mill Supervisor at POM.  General workers ( foreign workers) are mostly based on medical fitness confirmed by Hospital Assistant (HA)			
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.				
6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	The documented policy entitled "IOI Group's Policy on the Prevention and Eradication of Sexual Harassment in the Workplace" authorized by Group Executive Director dated 06 December 2006 is available. .  At POM and estates visited , observed that the policy is posted on the notice board outside at Muster Ground, clinic and office.  Based on interviewer with field, office employees and gender committee members, there are no records of sexual harassment received from employees. Grievance record book ( <i>Buku Aduan Gangguan Seksual</i> ) is available specifically to record complains related to sexual harassment.			
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:
<b>Objective evidence:</b>	A policy to protect the reproduction rights namely "Protection of Reproduction Rights Policy" is available.  At POM and estates visited, observed that the policy is communicated to all employees by displayed it at Notice Board at the office, clinic and Muster Ground area.			

6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The flow chart entitled "Sexual Harassment Grievance Procedure" is available in both Bahasa Malaysia and English languages. The flow chart described the mechanism from receiving of the complaints from the victims until the decision taken by the team of management that includes Social Liaison Officer and Gender Representative.	
<b>Criterion 6.10:</b> Growers and millers deal fairly and transparently with smallholders and other local businesses.		
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
<b>Objective evidence:</b>	Not applicable as Leepang POM does not deal with smallholders and outgrowers.	
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
<b>Objective evidence:</b>	Not applicable LPOM does not deal with smallholders and outgrowers.	
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
<b>Objective evidence:</b>	Not applicable as LPOM does not deal with smallholders and outgrowers.	
6.10.4	Agreed payments shall be made in a timely manner.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
<b>Objective evidence:</b>	Not applicable LPOM does not deal with smallholders and outgrowers.	
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.		
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Social Impact Assessment & Management Action Plans and Continuous Improvement Plans (July 2012 – June 2017) is available. There is a documented minute of meeting on consultation with stakeholder relating to social and HCV impact assessment. Latest review of document is on 06 Oct 2015.	
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
<b>Objective evidence:</b>	Not applicable as LPOM does not deal with smallholders and outgrowers. No scheme smallholders in the supply base.	
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.		
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	No evidences of force labour. All passports are kept in the Estate safe for safe-keeping and security reason. Workers are allowed access to their passport at anytime.	

6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	There are new employment by Leepang POM and estates. Interview with new employees/workers show that there was no evidence of contract substitution occurred.					
6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	IOI Leepang Production Unit employs foreign workers. No temporary workers are employed to date. Policy on Foreign Workers is available.					
<b>Criterion 6.13: Growers and millers respect human rights</b>						
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see criteria 1.2 and 2.1)					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	IOI's Sustainability Policy Statement includes Human Rights and Workplace. This has been stressed in the IOI Corporation Berhad's 2014 annual report.  This policy covers the necessary aspects of human rights related issues. Interview during the assessment reveal that employees understand their right. IOI head office is in process of reviewing their various social policies for integration into the group.					
6.13.2	As long as children of foreign workers in Sabah and Sawarak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	X	No:		
<b>Objective evidence:</b>	Leepang Production Unit has established the Humana School to allow children of foreign workers access to (usually until age of 12 ) education as a moral obligation.					
<b>Principle 7: Responsible Development of New Plantings</b>						
There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005.  Evidence should include historical remote sensing imagery which demonstrates that there has been no conversion of primary forest or any area required to maintain or enhance one or more HCV. Satellite or aerial photographs, land use maps and vegetation maps should be used to inform the HCV assessment.  Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.						
<b>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b>						
7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.					
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.					
7.1.3	Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention.					<i>Minor</i>

<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.					
<b>Criterion 7.2:</b> 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.						
7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.					
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.					
<b>Criterion 7.3:</b> New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.						
7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.					
7.3.2	A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.					
7.3.3	Dates of land preparation and commencement shall be recorded.					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.					
7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2).					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:		No:		
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.					
7.3.5	Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2).					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:		

<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
<b>Criterion 7.4:</b> Extensive planting on steep terrain, and/or on marginal and fragile soils, including peat, is avoided.				
7.4.1	Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. All new plantings should not be cultivated on land more than 300m above sea level unless specified by local legislation.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	No:	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	No:	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
<b>Criterion 7.6:</b> 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 free, prior and informed consent and negotiated agreements.				
7.6.1	Documented identification and assessment of demonstrable legal, customary and user rights shall be available.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	No:	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
7.6.2	A system for identifying people entitled to compensation shall be in place.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	No:	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
7.6.3	A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place.			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	No:	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	No:	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	No:	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
7.6.6	Evidence shall be available that the company has made adequate efforts to enable			<i>Minor</i>

	affected communities and rights holders to have 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.	
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.	
<b>Criterion 7.7:</b> No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
7.7.1	There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.	
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.	
<b>Criterion 7.8:</b> New plantation developments are designed to minimize net greenhouse gas emissions.		
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.	
7.8.2	There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.	
<b>Principle 8: Commitment to Continual Improvement in Key Areas of Activity</b>		
Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations.		
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides (Criterion 4.6)</li> <li>• Environmental impacts (Criterion 4.3, 5.1 and 5.2)</li> <li>• Waste reduction (Criterion 5.3)</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8)</li> </ul>	<i>Major</i>

	<ul style="list-style-type: none"> <li>• Social impacts (Criterion 6.1)</li> <li>• Encourage optimizing the yield of the supply base.</li> </ul>											
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 45%;"></td> </tr> </table>	In compliance:	Yes:	x	No:							
In compliance:	Yes:	x	No:									
<b>Objective evidence:</b>	<p>Based on the continuous improvement plan of Leepang Production Unit, the following are being implemented :</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides – refer to 4.6.2 , where pesticide usage is monitored i.e. 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 available and monitored per chemical as well as per total pesticide used</li> <li>• Environmental impacts – refer to 5.1.1. Environment impacts for both mill and estates and the continual improvement action plan recorded in the “Plans and Monitoring Programme” of Environmental Impact Assessment – Management Action Plans &amp; Continuous Improvement Plan.</li> <li>• Waste reduction – refer to 5.3.3. Both mill and estates planned, implemented and monitored the continual improvement which documented in Environmental Impact Assessment – Management Action Plans &amp; Continuous Improvement Plan. Waste are identified and segregated, disposed off based on the type of waste identified</li> <li>• Pollution and greenhouse gas (GHG) emissions – refer to 5.6. Baseline for identifying polluting activities and continual improvement action plan recorded in Environmental Impact Assessment Environmental Impact Assessment – Management Action Plans &amp; Continuous Improvement Plan.</li> <li>• Social impacts – refer to 6.11 and 6.1.4 where the SIA is reviewed where plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, are developed in consultation with the affected parties</li> <li>• Encourage optimizing the yield of the supply base – Leepang Production Unit encourages optimizing of yield by ensuring their annual agronomic visits, fertiliser application had harvesting is up-to-date.</li> </ul> <p>LPOM has the following for continuous improvement :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 55%;">• ENVIRONMENTAL IMPACTS (CRITERION 4.3, 5.1 AND 5.2)</td> <td>Biogas Generation plant</td> </tr> <tr> <td>• POLLUTION AND GREENHOUSE GAS (GHG) EMISSIONS (CRITERIA 5.6 AND 7.8)</td> <td>Biogas Generation plant, Barge Loading Piping for CPO despatch</td> </tr> <tr> <td>To improve Mill efficiency</td> <td>7.5 MT cages, Hydraulic cantilever for Streiliser, Mobile crane for press station, P15 press screw press, Skimming Tank, Water feed pump, workshop equipment, shovel, lab equipment , Kentpump submersible slurry pump</td> </tr> <tr> <td>Encourage optimizing the yield of the supply base.</td> <td>Monitoring of FFB per month and comparing with each other estate  Regular visits by the GM and other visiting agents to improve field operations</td> </tr> <tr> <td>Social Impact</td> <td>Van for school children, air-cond for office</td> </tr> </table>		• ENVIRONMENTAL IMPACTS (CRITERION 4.3, 5.1 AND 5.2)	Biogas Generation plant	• POLLUTION AND GREENHOUSE GAS (GHG) EMISSIONS (CRITERIA 5.6 AND 7.8)	Biogas Generation plant, Barge Loading Piping for CPO despatch	To improve Mill efficiency	7.5 MT cages, Hydraulic cantilever for Streiliser, Mobile crane for press station, P15 press screw press, Skimming Tank, Water feed pump, workshop equipment, shovel, lab equipment , Kentpump submersible slurry pump	Encourage optimizing the yield of the supply base.	Monitoring of FFB per month and comparing with each other estate  Regular visits by the GM and other visiting agents to improve field operations	Social Impact	Van for school children, air-cond for office
• ENVIRONMENTAL IMPACTS (CRITERION 4.3, 5.1 AND 5.2)	Biogas Generation plant											
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Encourage optimizing the yield of the supply base.	Monitoring of FFB per month and comparing with each other estate  Regular visits by the GM and other visiting agents to improve field operations											
Social Impact	Van for school children, air-cond for office											



### 3.1.2 Supply Chain

For supply chain, the Leepang Palm Oil Mill has decided to use Module D in this assessment. The findings and objective evidence find during the assessment are outlined in the table below. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

#### Module D – CPO Mills: Identify Preserved

Module D- CPO Mills: Identify Preserved				
<b>D.1: Definition</b>				
<b>D.1.1</b>	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.			
<b>D.2: Explanation</b>				
<b>D.2.1</b>	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.			<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	x	No:
<b>Objective evidence:</b>	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill are recorded by the certification body (CB) in the public summary of the P&C certification report.			
	<ul style="list-style-type: none"> <li>a) Potential total volume of certified palm oil product CPO 2015/16 : 69,172 MT ( estimate OER 21% )</li> <li>b) Potential total volume of certified palm oil product PK : 18,116 MT ( estimate KER 5.5% )</li> </ul>			
	FY 2015/16 <i>estimated tonnage of CPO and PK products that could potentially be produced by the certified mill</i>	16/12/14 –28/10/15 <i>actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</i>	Dec '14 – Jun'15	eTrace Record valid from 17/3/15 – 28/10/15
	Certified palm oil product CPO : 69,172 MT	Actual CPO produced : 56,484.272 MT	Sales RSPO/SG : 27,251.402  Sales ISCC : 14,901.15MT	volume sold/removed: 45,349.27
Certified palm oil product PK : 18,116 MT	Actual PK produced : 13,641.985 MT		volume sold/removed: 14,330 MT	

<b>D.2.2</b>	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	<b>MAJOR</b>						
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>	In compliance:	Yes:	x	No:			
In compliance:	Yes:	x	No:					
<b>Objective evidence:</b>	<p>IOI Corporation Bhd – Leepang has registered under the RSPO IT, e Trace system.  License ID : CB23552  Member ID: RSPO_PO10000001094  A sample of a Shipping Announcement was sighted.  Seller: Morisem Sdn Bhd – Leepang Palm Oil Mill  Buyer: IOI Commodity Trading Sdn Bhd (RSPO_PO1000000082 )  Creation Date: 24/7/15  Shipping /BL Date : 6/7/15  transaction ID: TR-bb8383d5-65c5  Product details</p> <ul style="list-style-type: none"> <li>- CPO</li> <li>- Segregation</li> <li>- Volume : 100 MT</li> <li>-</li> </ul>							
<b>D.3: Documented Procedures</b>								
<b>D.3.1</b>	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<b>MAJOR</b>						
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>	In compliance:	Yes:	x	No:			
In compliance:	Yes:	x	No:					
<b>Objective evidence:</b>	<p>Leepang has revised Supply Chain procedure (RSPOSC/SOP/IP/3 Issue No. 04 Dated 2<sup>nd</sup> January 2015. The Standard Operating Procedure for Palm Oil Mill Operations include:</p> <ol style="list-style-type: none"> <li>1. Purpose</li> <li>2. Scope</li> <li>3. Responsibilities</li> <li>4. Reception</li> <li>5. Processing and storage <ul style="list-style-type: none"> <li>• Processing</li> <li>• Storage</li> <li>• Crushing of CSPK</li> </ul> </li> <li>6. Despatch</li> <li>7. Records and retention <ul style="list-style-type: none"> <li>• 7.1 Records</li> <li>• Retention of Records</li> </ul> </li> <li>8. Training</li> </ol>							

	<p>9. Claims</p> <p>10. Overproduction.</p> <p>The Mill Manager, Mr Edmund Norbert remains as a person having overall responsibility for and authority over the implementation of these RSPO requirements and compliance with all applicable requirements .</p> <p>Job descriptions for all related staff are described in Job Description Leepang Palm Oil Mill dated 12/9/15.</p>	
<b>D.3.2</b>	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	<b>MAJOR</b>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	N/A
<b>Objective evidence:</b>	LPOM do not receive non-certified FFB	
<b>D.4: Purchasing and goods in</b>		
<b>D.4.1</b>	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	<b>MAJOR</b>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	N/A
<b>Objective evidence:</b>	LPOM do not receive non-certified FFB	
<b>D.4.2</b>	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	<b>MAJOR</b>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Section 10.0 Overproduction describe under 10.2 – In case production of FFB, CPO or PK is expected to exceed the projected amount that have been communicated, the mill is required to inform marketing department and to inform the respected CB.</p> <p>a) Potential total volume of certified palm oil product CPO 2015/16 : 69,172 MT ( estimate OER 21% )</p> <p>b) Potential total volume of certified palm oil product PK : 18,116 MT ( estimate KER 5.5% )</p>	
<b>D.5: Record keeping</b>		
<b>D.5.1</b>	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	<b>MAJOR</b>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The Mass Balance Calculation ( Internal Process and Output ) of CPO for financial year 2014/2015 is available.</p> <p>Similar Mass balance table was sighted for Palm Kernel , Mass Balance Calculation ( Internal Process and Output ) of palm kernel</p> <p>Observed that the company records and balances all receipts of RSPO certified FFB , CPO and PK produced and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>At the Leepang Palm Oil Mill Mass Balance Table , the 'Despatch ' is defined as the amount sent to the refinery whereas 'Sales Volume' is defined as the amount sold either as RSPO or ISCC.</p> <p>The amount brought forward is the amount produced + last month's brought forward – amount despatch weighed at the refinery , IOIEO .</p> <p>The mill will produce a daily production report to monitor the amount processed and produced</p> <p>a) Opening and closing stock ( FFB , CPO , PK )</p> <p>b) FFB Quality</p>	

	<ul style="list-style-type: none"> <li>c) CPO and PK production</li> <li>d) Daily despatch</li> <li>e) Extraction Rate</li> <li>f) CPO and PK storage volume and Quality</li> <li>g) Production Quality</li> </ul>					
<b>D.6: Processing</b>						
<b>D.6.1</b>	<p>The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.</p>	<b>MAJOR</b>				
<b>Findings</b>	<table border="1" style="width: 100%;"> <tr> <td>In compliance:</td> <td>Yes:</td> <td style="text-align: center;">x</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	x	No:	
In compliance:	Yes:	x	No:			
<b>Objective evidence:</b>	<p>On arrival ,the tanker will be checked and a form,' <i>Senarai Pemeriksaan CPO / PK</i> ' will be filled by security to ensure that the tank compartment is dry /clean and weighed.</p> <p>After loading the sustainable material , the tanker is sealed /tagged. The barge will also be tagged/sealed.</p> <p>In LPOM, the tanker will transport to the jetty whereby the material will be pumped onto the barge. IOI HQ has appointed Affinity Future Sdn Bhd as the appointed barge transporter. The transporter has dedicated the barge to Leepang POM.</p> <p>affinity Future Sdn Bhd is also the tanker contractor.</p> <p>Name of Barge: Evergoing</p> <p>Name of Tug: Ever Splendid</p> <p>Load: 1050MT</p> <p>Prior to filling , a <b>Dry Certificate</b> is provided by <b>Affinity Future Sdn Bhd</b></p> <p>Prior to delivery , <b>Affinity Future Sdn Bhd</b> will receive a Consignment note from IOI for loading. the consignment note dated 10/10/15 was sighted for shipment No: 46/15 , voy No: 21/15</p> <p>Quantity : 1050MT</p> <p>LPOM will confirm by filling in the checklist, CPO Barge Hygiene &amp; safety checklist-3<sup>rd</sup> edn. The checker will ensure that there is no CPO waste on the barge compartment ( no. A3 )</p> <p>Once approved, delivery by tanker will commence.</p> <p>Each tanker once filled will be weighted and sealed.</p> <p>e.g of sealed on 13/10/15 :</p> <p>WB ticket: 117718</p> <p>seal no: 0020331-333</p> <p>Weighed: 23.35 MT</p> <p>At the jetty , the material will be pump to the compartments and sealed . Each compartment has 2 manhole and each man-hole as 2 seals. The barge Seal distribution was sighted for the shipment 14/10/15</p> <p>for example for the sealing in compartment 1(P) the following were the seals:</p> <p>BPOM 0020678,679</p> <p>BPOM0020680,681</p> <p>Total No; of seals : 81</p> <p>Product : CPO</p> <p>Sustainability claim: CPO IP and ISCC EU ( both are stamped )</p>					

<b>D.6.2</b>	The objective is for 100 % segregated material to be reached.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	The facility only purchases from its own supply base. The FFB ticket is used to trace the origin of the FFB from the sources.				

**Module E – CPO Mills: Mass Balance**

Not applicable.

**3.2 Corrective Action Request**

There are total of **0 Major** and **02 Minor** were raised. Please refer to the **Appendix A** for the details findings and relevant correction actions have been taken.

**3.3 Noteworthy Positive & Negative Observation**

There were **02 Observations** raised

**3.4 Status of Non-Conformities Previously Identified**

No outstanding Non-conformities  
Please refer to **Appendix B** for the previous audit.

**3.5 Issues Raised by Stakeholders and Findings**

A list of stakeholders contacted is included as **Appendix C**. All interviewed stakeholders had positive comments about **Leepang Group ( Lahad Datu Region )**. No issues regarding the **Leepang Group ( Lahad Datu Region )**'s environmental and social performance.

**4. ACKNOWLEDGEMENT OF ORGANIZATION INTERNAL RESPONSIBILITY**

**4.1 Conclusion**

The audit team concludes that the organization  has  has not established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

**4.2 Date of Next Surveillance Visit**

The next surveillance audit will be planned within a year after the approval of the report



**4.3 Date of Closing Non-Conformities**

Reference	Class	Issued	Close
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01	Minor	2.2.3	27/10/13
02	Minor	4.2.2	27/10/14
03	Minor	4.2.3	27/10/14
04	Major	4.6.3	3/10/12
05	Major	4.6.4	28/8/12
06	Major	4.7.1	28/8/12
07	Major	4.8.1	28/8/12
08	Major	5.1.1	28/8/12
09	Major	5.2.1	28/8/12
10	Major	5.2.2	28/8/12
11	Minor	5.2.3	27/10/14
12	Minor	5.3.2	27/10/14
13	Minor	5.6.3	27/10/14
14	Minor	6.1.2	27/10/14
15	Minor	6.1.3	27/10/14
16	Minor	6.5.2	27/10/14
17	Major	6.6.1	28/8/12
18	Major	6.7.1	28/8/12
NC 1	Major NC Supply chain	D.1.1	15/9/12
NC 2	Major NC Supply chain	D.3.2	15/9/12
NC 3	Major NC Supply chain	D.3.4	15/9/12
NC 4	Major NC Supply chain	D.5.1	15/9/12
NC 5	Major NC Supply chain	D.6.1	15/9/12
19	Major	30/10/14	5/12/14

**4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings**

SGS Malaysia acknowledges and confirms acceptance of the Report contents and including the assessment findings. SGS Malaysia accepts the responsibility for addressing the opportunities of improvement detailed in this report.

Signed on behalf of Leepang Group ( Lahad Datu Region ).	Signed on behalf of SGS Malaysia Sdn Bhd
 Name: Yeo Lee Nye Position: Sustainability Manager Date:	 Name: James S H Ong Position: Lead Auditor Date: 23 Feb 2016

## APPENDIX A: CORRECTIVE ACTION REQUEST &amp; OBSERVATION

CAR #	Indicator	CAR Detail					
		Date Recorded>	27 - 28/10/15	Due Date>	26/10/16	Date Closed>	
m20	5.3.3	<b>Non-Conformance:</b>					
		A waste management and disposal plan to avoid or reduce pollution been documented , however not properly implemented.					
		<b>Objective Evidence:</b>					
		Recycled wastes (PET bottles, aluminium can etc) was found disposed inappropriate manner at Leepang 5 landfill.					
		In the Recycling site at PP3, a bag of SW material (2T oil containers) was found in the plastic centre.					
		Empty Ellytech packs found thrown beside the empty chemical container storage site.					
m21	6.5.3	<b>Close-out evidence:</b>					
		<b>Non-Conformance:</b>					
		Growers and millers provided 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) or above, where no such public facilities are available or accessible (not applicable to smallholders).					
		However, unauthorised installation/connection of electrical points were found been carried out at some houses.					
		<b>Objective Evidence:</b>					
Improper/illegal electrical wiring (e.g. without casing/cover) are observed at houses visited at Leepang 5 and Permodalan 4 Estates.							
Creche at Leepang 5 Estate also observed using high density wooden bar that not properly installed to hold "buaiian" which may falling down and cause serious accident to children							
<b>Close-out evidence:</b>							

## OBSERVATIONS

OBS #	Indicator	Observation Detail
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OBS #	Indicator	Observation Detail					
01	4.6.5	Date Recorded>	28/10/15	Due Date>	-	Date Closed>	-
		<b>Non-Conformance:</b>					
		Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).					
		<b>Objective Evidence:</b>					
		At PP3 in F97R, one of the female worker 'Interpump' spray equipment was faulty and she was not able to stop the flow/spray. However the mandore was able to manage the situation.					
		<b>OBSERVATION 01</b>					
<b>Close-out evidence:</b>							
02	4.6.6	Date Recorded>	28/10/15	Due Date>		Date Closed>	
		<b>Non-Conformance:</b>					
		Storage of all pesticides shall be according to recognized best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. However, reuse is still sighted.					
		<b>Objective Evidence:</b>					
		However some sighting of loose fruit scrapers made of the green empty chemical containers used by the harvester sighted at, F97P in PP3 as well as on the tractor used to transport the pre-mix chemicals in LP5. On the visit to one of the home at the line- site ( harvester Aras ) in LP5, the occupants were using a 20 lit green chemical container to store water.					
		<b>OBSERVATION 02</b>					
<b>Close-out evidence:</b>							



## APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED

CAR #	MYNI Indicator	CAR Detail					
01	2.2.3	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	27 <sup>th</sup> Oct 2014	<b>Date Closed&gt;</b>	27 <sup>th</sup> Oct 2014
		<b>Non-Conformance:</b>					
		Inadequate evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained.					
		<b>Objective Evidence:</b>					
		Estate boundaries have been systematically marked in areas adjacent to other forms of land use (sensitive areas). IOI Leepang has a special mapping team with accurate GPS equipment for boundary verification. All visited estates have their boundary marked with boundary markers. However, the auditors note that one area bordering with Sg. Simpang Forest Reserve is not adequately marked with boundary markers.					
		<b>Close-out evidence:</b>					
The boundary has been marked at the last palm before the forest reserve area. Signages have also been erected at the boundary to discourage any unauthorized entry and activity within the forest reserve area.							
<b>Minor CAR 01 Closed</b>							
02	4.2.2	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	27 <sup>th</sup> Oct 2014	<b>Date Closed&gt;</b>	27 <sup>th</sup> Oct 2014
		<b>Non-Conformance:</b>					
		Inadequate of periodic tissue and soil sampling to monitor changes in nutrient status.					
		<b>Objective Evidence:</b>					
		Despite that the soil sampling analysis has been conducted throughout all visiting estates, the auditing team note that the similar analysis is not conducted in the Morisem 5 estate.					
		<b>Close-out evidence:</b>					
The soil analysis is crucial part in decision for the fertilizer recommendation for every estate. The issue was raise because the result of the analysis was found not available during the previous audit. Nonetheless, the document has been made available in the estate and it is kept in the IOI Research file.							
<b>Minor CAR 02 Closed</b>							
03	4.2.3	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	27 <sup>th</sup> Oct 2014	<b>Date Closed&gt;</b>	27 <sup>th</sup> Oct 2014
		<b>Non-Conformance:</b>					
		Monitoring the area on which EFB, POME and zero-burn replanting is applied, is not implemented.					
		<b>Objective Evidence:</b>					
		No evidence of monitoring of application of EFB on the field to maintain soil fertility at, or where possible improve soil fertility to, ensure optimal and sustain yield.					
<b>Close-out evidence:</b>							

CAR #	MYNI Indicator	CAR Detail					
		<p>The document has been made available in the Leepang Group estate. The record would be able to indicate how much of EFB have been applied in which estate's field block and it is updated monthly. Annual/Motnhly programme for the EFB application has also been developed to ensure the continuation of a proper management of the operation.</p> <p><b>Minor CAR 03 Closed</b></p>					
M04	4.6.3	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/10/12	<b>Date Closed&gt;</b>	28/8/12
<b>Non-Conformance:</b>							
Pesticides used in estates are not disposed of in accordance with the requirements of the standard.							
<b>Objective Evidence:</b>							
The auditing team observed that triple rinsing method inconsistently implemented in Morisem 5 estate.							
<b>Close-out evidence:</b>							
<p>Training has been done to ensure consistency of implementation. Triple rinsing is now done for all empty chemical containers in Morisem 5. Containers are triple rinsed and then punctured.</p> <p>a. Submitted evidence of training done by Asst Manager Darwis Andi Paramata on 28/08/12 for 13 participants on topic : Bagaimana cara bilas bekas racun 3 kali.</p> <p>b. Attendance sheet submitted</p> <p>c. Sample record of disposal by Newgates Industries Borneo Sdn Bhd of 103 Containers</p> <p>d. Sample of the receipt receive by Morisem 5</p>							
<b>Major 04 Closed</b>							
M05	4.6.4	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/10/12	<b>Date Closed&gt;</b>	28/8/12
<b>Non-Conformance:</b>							
Information regarding the chemicals and its usage, hazards, trade and generic names was not adequately made available in language understood by workers or explained carefully to them by a plantation management official at operating unit level.							
<b>Objective Evidence:</b>							
The auditing team noted that MSDS for herbicide Starane has the wrong active ingredient as observed in Morisem 5 estate. In addition, MSDS for Rattus and Matikus are not available at the Leepang 5 estate store.							
<b>Close-out evidence:</b>							
<p>Leepang Production Unit submitted the missing MSDS for Rattus &amp; Matikus as evidence that they are now available at the storage site. The MSDS were obtained from the suppliers, namely, Hextar and Syngenta .</p> <p>The amended MSDS for Starane has also been obtained from the suppliers.</p>							
<b>Major 05 Closed</b>							
M06	4.7.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	Next Surveillance	<b>Date Closed&gt;</b>	28/8/12
<b>Non-Conformance:</b>							
Inadequate implementation of the Occupational Safety and Health (OSH) Plan in compliance with the OSH Act 1994 and Factories and Machinery Act 1967 (Act 139).							

CAR #	MYNI Indicator	CAR Detail					
		<b>Objective Evidence:</b>					
		<p>Compliance to the Occupational Safety &amp; Health Act, 1994 and Factories and Machineries Act 1967 is evident in the following areas:</p> <ul style="list-style-type: none"> <li>a. There is no emergency telephone number available in the kit;</li> <li>b. No first aid kit available with mandore at Block 93A in Morisem 5 Estate during interview;</li> <li>c. Inspection at the HIRARC in the Leepang POM evidenced that there is inadequate preventive and protective measures (mitigation) for high risk activities to ensure reducing Lost Time Accident (LTA) rate;</li> <li>d. CHRA found not to include apron as one of the element to be assessed for works handling with chemicals in particular pesticides; and</li> <li>e. Emergency Response Procedure is not updated as there are several information that is deemed obsolete yet still included in the procedure.</li> </ul>					
		<b>Close-out evidence:</b>					
		<p>The following were submitted as evidence :</p> <ul style="list-style-type: none"> <li>a. Emergency phone numbers have been included in all first aid kits. All mandores have been supplied with first aid kits. The said mandore has been issued a reminder for not bringing the first aid kit to the field. 1/8/2012</li> <li>b. Our accident records show that the most commonly occurring accidents involve sharp objects – machetes, oil palm frond thorns and FFB spikes. For this, we have reviewed the HIRARCs for the relevant operations and added additional mitigation measures. The HIRARC. 1/8/2012 was attached</li> <li>c. As the CHRA was conducted by a licensed consultant, we are obliged to follow its recommendations. However, our internal review has included aprons as one of the PPE required for workers handling pesticides. 20/8/12</li> </ul> <p>The ERP for poisoning included procedures for handling paraquat poisoning. As paraquat has been phased out, the obsolete parts have been removed. 13/8/12</p> <p><b>Major 06 Closed</b></p>					
M07	4.8.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/10/12	<b>Date Closed&gt;</b>	28/8/12
		<b>Non-Conformance:</b>					
		Insufficient training conducted covering safety and health as well as chemical handling.					
		<b>Objective Evidence:</b>					
		Interview during the field audit with several mandores evidenced that a few mandores are found to be not attending the first aid kit handling training. Interview also conducted with Estate Hospital Assistants and found that the Estate Hospital Assistant are not train on the chemical use and related laws as per required by the RSPO requirements.					
		<b>Close-out evidence:</b>					

CAR #	MYNI Indicator	CAR Detail					
		<p>The following were submitted as evidence:</p> <ol style="list-style-type: none"> <li>1. Trainings have been conducted again to include those whom had not attended them before. Refer to attachment. <ul style="list-style-type: none"> <li>• Training ( pictorial and attendance ) for first aid kit usage &amp; CPR – Latihan Peti Kecemasan by Rafida Walu – clinic dresser</li> <li>• Records of items in the first aid box</li> </ul> </li> <li>2. All medical staff – EHAs and nurses have also been trained on chemical usage and the related laws. <ul style="list-style-type: none"> <li>• Attendance records of participants : medical staff training for chemicals. Dated 7/8/12 for 5 medical staff.</li> <li>• Training material by Safety Officer Kumerdeka</li> </ul> </li> </ol> <p><b>Major 07 Closed</b></p>					
M08	5.1.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/10/12	<b>Date Closed&gt;</b>	28/8/12
<b>Non-Conformance:</b>							
Inadequate documented aspects and impacts risk assessment that is periodically reviewed and updated.							
<b>Objective Evidence:</b>							
The EIA document does not includes stakeholder consultation as part of their assessment process.							
<b>Close-out evidence:</b>							
<p>A consultation meeting has been conducted to obtain feedback from stakeholders. The document has also been reviewed to include the feedback from the stakeholders.</p> <p>Leepang Production Unit submitted the following evidence:</p> <ol style="list-style-type: none"> <li>a) The minutes of the meeting ( 9/8/12 0 attended by stakeholders to obtain feedback. The stakeholders include: Group Plantation Controller, Mr KP Chanthran, Mill representative, IOI Estate Representatives, supplier representatives, neighbouring Estates like Malbumi, and PERKESO representatives.</li> <li>b) Survey records done by safety Officer , Kumerdeka</li> <li>c) Sample of the local stakeholders interview by the surveyor : Abdul Majid Abdul Manang, Amran Wahid and and Halijah Dollah ( 8/8/12 )</li> </ol> <p><b>Major 08 Closed</b></p>							
M09	5.2.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/10/12	<b>Date Closed&gt;</b>	28/8/12
<b>Non-Conformance:</b>							
Inadequate identification and assessment of HCV habitats and protected areas within land holdings; and attempt assessments of HCV habitats and protected areas surrounding landholdings.							
<b>Objective Evidence:</b>							
The identification and assessment of HCV habitats and protected areas within and surrounding landholding did not include potential ERTs.							
<b>Close-out evidence:</b>							

CAR #	MYNI Indicator	CAR Detail					
		Leepang submitted evidence to show that the HCV assessments has been updated to include animal species, including ERTs found within and around the area. <b>Major 09 Closed</b>					
M10	5.2.2	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	Next Surveillance	<b>Date Closed&gt;</b>	28/8/12
		<b>Non-Conformance:</b>					
		Management plan for HCV habitats (including ERTs) and their conservation inadequately implemented.					
		<b>Objective Evidence:</b>					
		Based on the records of stakeholder consultation conducted, the auditor note that local communities in particular <i>orang sungai</i> and experts are not consulted during identification and assessment of HCVs.					
		<b>Close-out evidence:</b>					
Leepang has submitted evidence that survey and consultation has been conducted with local stakeholders and documents reviewed. Refer to 5.1.1 <b>Major 010 Closed</b>							
11	5.2.3	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	27 <sup>th</sup> Oct 2014	<b>Date Closed&gt;</b>	27 <sup>th</sup> Oct 2014
		<b>Non-Conformance:</b>					
		Lack of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts.					
		<b>Objective Evidence:</b>					
		No proper signage allocated for all identified HCVs within the HCV assessment document.					
		<b>Close-out evidence:</b>					
Most of the signboards for the HCV and Conservation Area were not yet available during the previous audit is due to limited time for the estate to prepare for the audit. However, currently all of the signboards are readily available at their designated spot throughout the estate. Some of the estates are still in progress to add more signboards from year to year to ensure all the strategic location are covered so that the message can be completely delivered to all the personnel within the estate area. <b>Minor CAR 11 Closed</b>							
12	5.3.2	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	27 <sup>th</sup> Oct 2014	<b>Date Closed&gt;</b>	27 <sup>th</sup> Oct 2014
		<b>Non-Conformance:</b>					
		Inadequate implementation of operational plan to avoid or reduce pollution.					
		<b>Objective Evidence:</b>					
		Operational plan have been developed but not implemented adequately to avoid or reduce pollutions, for example; operational plan for domestic waste is not properly implemented to reduced, recycled, re-used and disposed off in an environmentally and socially responsible manner. Scheduled waste, recyclable material and chemical containers found in the landfills in all visited estates.					
		<b>Close-out evidence:</b>					

CAR #	MYNI Indicator	CAR Detail					
		<p>The facility to handle the waste has all been provided in the estate. Scheduled waste are stored in the Scheduled Waste Store before it is disposed via licensed contractor, recycle waste are kept in the Recyclable Waste Store and the domestic waste are sent to the landfill so that it can be buried and decomposed naturally in the soil.</p> <p>The root cause of the issue is because of lack of monitoring from the operating units during the time of the previous audit. Today, Environment Liaison Officer has been appointed in every estate to head the environment monitoring programmed, which includes the inspection of the landfill. Line sweeper has also been sent to the linesite to clean up the area on daily basis and to ensure all waste are properly segregated the waste right at the linesite itself, so other type of waste would not be ended up in the landfill. This also would be monitored by EHA during the monthly inspection record.</p> <p><b>Minor CAR 12 Closed</b></p>					
13	5.6.3	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	27 <sup>th</sup> Oct 2014	<b>Date Closed&gt;</b>	27 <sup>th</sup> Oct 2014
<b>Non-Conformance:</b>							
Lack of monitoring and reducing peat subsidence rate through water table management.							
<b>Objective Evidence:</b>							
There is no soil map available to locate the peat area in the estate. In addition there is also no water management table to monitor the peat subsidence rate.							
<b>Close-out evidence:</b>							
The root cause of the NC is because of the lack of awareness and knowledge and time of preparation during the period of the last audit. Today, monitoring of the peat subsidence and water level in the peat soil area is already in place. The records are updated at least twice a month in the related estate which has the peat soil in its area. The soil map is also in place to indicate where the peat soil area is located.							
<b>Minor CAR 13 Closed</b>							
14	6.1.2	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	27 <sup>th</sup> Oct 2014	<b>Date Closed&gt;</b>	27 <sup>th</sup> Oct 2014
<b>Non-Conformance:</b>							
Inadequate evidence that the assessment has been done with the participation of affected parties.							
<b>Objective Evidence:</b>							
The auditing teams note that the demographic background for capturing data within the SIA does not consider other age groups such as children and old people.							
<b>Close-out evidence:</b>							
The root cause was due to oversight during the initial preparation of the document. However, the review version of the document has already included the data of the commented group of people in the estate.							
<b>Minor CAR 14 Closed</b>							
15	6.1.3	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	27 <sup>th</sup> Oct 2014	<b>Date Closed&gt;</b>	27 <sup>th</sup> Oct 2014
<b>Non-Conformance:</b>							
Lack of a timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary.							
<b>Objective Evidence:</b>							

CAR #	MYNI Indicator	CAR Detail					
		<p>The mitigation measures in the form of action plan are not reliable to ensure the implementation of the SIA.</p> <p><b>Close-out evidence:</b></p> <p>The issue was raised due to the social mitigation measure in the SIA was not being review by the current estate management during the period of last audit. As of today, the time bound action plan has been closely monitored by the estate management as a summary of it has been provided in the reviewed document of SIA. The social issue mitigation plan are collected from the recorded reports mostly from the workers in the grievance book as well as from the issue raised during the ECC meeting, which are attended by the workers representative.</p> <p><b>Minor CAR 15 Closed</b></p>					
16	6.5.2	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	27 <sup>th</sup> Oct 2014	<b>Date Closed&gt;</b>	27 <sup>th</sup> Oct 2014
		<b>Non-Conformance:</b>					
		Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment are available in the language understood by the workers but not explained carefully to them by a plantation management official in the operating unit.					
		<b>Objective Evidence:</b>					
		There is no signature on behalf of the management unit found in the contracts agreement between the management and the workers at Permodalan 3 Estate.					
		<b>Close-out evidence:</b>					
		The issue was raise due to oversight from the previous estate management as well as lack of monitoring mechanism to ensure all workers contract agreement were proper signed by both of the workers themselves and the estate management. Currently, the contract agreement are closely being monitored by the estate Chief Clerk followed by timely inspection by the SPO Department as well as HR department to ensu-re the multi-layer monitoring mechanism is in place to avoid any further oversight on the matter.					
		<b>Minor CAR 16 Closed</b>					
M17	6.6.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/10/12	<b>Date Closed&gt;</b>	28/8/12
		<b>Non-Conformance:</b>					
		Workers are not well represented in the meeting with main trade unions.					
		<b>Objective Evidence:</b>					
		Although the ECC has been established, the auditing team note that the workers are not well represented as the appointment of workers representatives is not done in democratic manner among the workers rather than being appointed by the company's top management.					
		<b>Close-out evidence:</b>					

CAR #	MYNI Indicator	CAR Detail																															
		<p>The following was submitted as evidence:</p> <p>a) The ECC with appointed worker representatives was dissolved and the workers were asked to appoint their representatives themselves. The workers then handed us letters stating their chosen representatives.</p> <p>b) The workers representative election minutes ( 7/8/12) were submitted as evidence (The management has accepted the workers' nominations (refer attachment acceptance of worker representatives) and assisted them in forming their worker representative committee (refer attachment elected worker representatives organization chart).</p> <p>c) The following were nominated in Morisem 5</p> <table border="1" data-bbox="424 633 1409 1252"> <tr><td>Jamaluddin Teppang</td><td>Harvesting mandore</td></tr> <tr><td>Akmal Kanci</td><td>Harvesting mandore</td></tr> <tr><td>Arman Mehullah</td><td>Harvesting mandore</td></tr> <tr><td>Andi Imran</td><td>Harvesting mandore</td></tr> <tr><td>Abdul Hamid Majid</td><td>Harvesting mandore</td></tr> <tr><td>Haijah Dolloh</td><td>Maintenance Mandore</td></tr> <tr><td>Nurlela Rasyid</td><td>Maintenance Mandore</td></tr> <tr><td>Naisyah Kadir</td><td>Maintenance Mandore</td></tr> <tr><td>Monak Sanudin</td><td>Maintenance Mandore</td></tr> <tr><td>Samsuddin Huding</td><td>Security</td></tr> <tr><td>Jumasri Jamil</td><td>Security</td></tr> <tr><td>Takdir Rahman</td><td>Mechanic</td></tr> <tr><td>Naim Alian</td><td>Driver</td></tr> </table> <p>d) Sample of Nurlela Rasyid appointed by the sprayer workers was also submitted as evidence of election</p> <p><b>Major 017 closed</b></p>						Jamaluddin Teppang	Harvesting mandore	Akmal Kanci	Harvesting mandore	Arman Mehullah	Harvesting mandore	Andi Imran	Harvesting mandore	Abdul Hamid Majid	Harvesting mandore	Haijah Dolloh	Maintenance Mandore	Nurlela Rasyid	Maintenance Mandore	Naisyah Kadir	Maintenance Mandore	Monak Sanudin	Maintenance Mandore	Samsuddin Huding	Security	Jumasri Jamil	Security	Takdir Rahman	Mechanic	Naim Alian	Driver
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Samsuddin Huding	Security																																
Jumasri Jamil	Security																																
Takdir Rahman	Mechanic																																
Naim Alian	Driver																																
M18	6.7.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/10/12	<b>Date Closed&gt;</b>	28/8/12																										
<b>Non-Conformance:</b>																																	
Inadequate documented evidence that minimum age requirement is met.																																	
<b>Objective Evidence:</b>																																	
Nevertheless, verification at several personal records of each employees sampled during the audit evidenced that the records are not supported with the proof of date of birth to ensure the minimum age requirement is met.																																	
<b>Close-out evidence:</b>																																	



CAR #	MYNI Indicator	CAR Detail
		<p>Evidence was submitted to show :</p> <p>a) Some of the workers sampled during audit were registered with the consulate for legalization under the amnesty programme. As such some of their passports were not available during audit.</p> <p>b) A list of the workers that were registered for legalization and scan of some sample passport was submitted e.g. Jovelyn Ursal Camadote</p> <p><b>Major 018 closed</b></p>

2014

CAR #	MYNI Indicator	CAR Detail					
M19	2.1.1	<b>Date Recorded&gt;</b>	30 <sup>th</sup> Oct 2014	<b>Due Date&gt;</b>	29 <sup>th</sup> Dec 2014	<b>Date Closed&gt;</b>	5 <sup>th</sup> Dec 2014
<b>Non-Conformance:</b>							
Evidence of inconsistency compliance with legal requirements.							
<b>Objective Evidence:</b>							
DOE license hold by Leepang POM ( <i>Jadual Pematuhan – No. Lesen: 001206 – Validity: 1st Jul 2014 to 30 Jun 2015</i> ) which requires the B.O.D level at final discharge points should be not more than 20mg/L.							
However, the final report submitted to DOE dated 14th Oct 2014 (Doc.: Lee Pang Palm Oil Mill, Jeroco, Sabah: September 2014; prepared by Multi-Serve Enterprise) evidence that the Test Report (Ref. No.: CK/CL405/2957-22/14 by Chemsain Konsultant Sdn Bhd) for final discharge is at 46.7mg/L.							
<b>Close-out evidence:</b>							
Leepang Mill has submitted evidence that they are in progress of upgrading its effluent treatment plant since the proposal was approved by DOE in late 2013. A consultant, namely BioRem Sdn. Bhd., has been appointed to see ensure success of the implementation of the project. The latest result for the month of November of the BOD reading at the mill final discharge is 12.3 mg/l.							

### Supply Chain

CAR #	RSPO SC ( 2011 )	CAR Detail					
01	D1.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/11/12	<b>Date Closed&gt;</b>	15/09/12
<b>Non-Conformance:</b>							

CAR #	RSPO SC ( 2011 )	CAR Detail					
		<p>There was no evidence of the name 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 facilities procedures for the implementation of this standard</p>					
		<b>Objective Evidence:</b>					
		<p>No evidence of appointment of a person having overall responsibility for and authority over the implementation of SC requirements. No duties and responsibility has been established related to the implementation of RSPO SC system</p>					
		<b>Close-out evidence:</b>					
		<p>Submission of their SOP – Supply Chain –Module D- CPO Mills – Segregation on the 15/09/12 indicate that the Mill manager of LPOM will have the overall responsibility for and authority over the implementation of SC requirements</p>					
		<b>Major NC 01 Closed</b>					
02	D3.2	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/11/12	<b>Date Closed&gt;</b>	15/09/12
		<b>Non-Conformance:</b>					
		<p>Retention times for all records and reports shall be at least five (5) years.</p>					
		<b>Objective Evidence:</b>					
		<p>The SC procedure did not state the list of records and report that need to be kept for 5 years.</p>					
		<b>Close-out evidence:</b>					
		<p>Submission of their SOP – Supply Chain –Module D- CPO Mills – Segregation on the 15/09/12 indicate that they will retain their records and reports shall be at least five (5) years</p>					
		<b>Major NC 02 Closed</b>					
03	D 3.4 & D 4.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/11/12	<b>Date Closed&gt;</b>	15/09/12
		<b>Non-Conformance:</b>					
		<p>a) The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.</p>					
		<p>The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:</p>					
		<p>a. The name and address of the buyer;</p>					
		<p>b. The date on which the invoice was issued;</p>					
		<p>c. A description of the product, including the applicable supply chain model (Segregated)</p>					
		<p>d. The quantity of the products delivered;</p>					
		<p>b) Reference to related transport documentation</p>					
		<b>Objective Evidence:</b>					
		<p>The delivery procedure did not describe list of information required to be stated in the RSPO products delivery documents as required by the standard.</p>					
		<b>Close-out evidence:</b>					

CAR #	RSPO SC ( 2011 )	CAR Detail					
		Submission of their SOP – Supply Chain –Module D- CPO Mills – Segregation on the 15/09/12 indicate that they have procedures to include the information in their receiving and delivery documents as required by the standard. <b>Major NC 03 Closed</b>					
04	D 5.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/11/12	<b>Date Closed&gt;</b>	15/09/12
<b>Non-Conformance:</b>							
The facility do not have clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non-certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed.							
<b>Objective Evidence:</b>							
There are no procedures to ensure that the RSPO certified palm oil will be kept segregated from non certified material including during transport, storage and processing to ensure that contamination is avoided.							
<b>Close-out evidence:</b>							
Submission of their SOP – Supply Chain –Module D- CPO Mills – Segregation on the 15/09/12 indicate that they now have clear procedures to ensure RSPO certified palm oil will be kept segregated from non certified material including during transport, storage and processing to ensure that contamination is avoided.  LPOM will only receive FFB from their own supply base estates . <b>Major NC 04 Closed</b>							
05	D 6.1	<b>Date Recorded&gt;</b>	03/08/12	<b>Due Date&gt;</b>	03/11/12	<b>Date Closed&gt;</b>	15/09/12
<b>Non-Conformance:</b>							
The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.							
<b>Objective Evidence:</b>							
No training was provided to the related staff with regards to SC requirements							
<b>Close-out evidence:</b>							
Training material and attendance was submitted to show that the training for staff as required to implement the requirements of the Supply Chain Certification Systems <b>Major NC 05 Closed</b>							



## APPENDIX C: TIMEBOUND PLAN

As of 12 Dec 2015

Time-bound plan

Certified Unit: **Leepang Group ( Lahad Datu Region )**

No	PMU	Main / Assessment	Certification Status	Current Status	Updated information for partial certification Clause 4.2.4 RSPO Certification systems for certified and uncertified units
1.	Pamol Sabah POM	May 2008	<i>Certified in Feb 2009</i>	<i>Re-Certified in 2014</i>	<i>No outstanding issues</i>
			<i>Re-Certified in Feb 2014</i>	<i>ASA-01 planned in 2015.</i>	<i>No outstanding issues</i>
2.	Sakilan POM, Sabah	Nov 2008	<i>Certified in Mar 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>	<i>No outstanding issues</i>
3.	Pamol Kluang POM	March 2009	<i>Certified in Mar 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>	<i>No outstanding issues</i>
4.	Gomali POM, Sabah	August 2009	<i>Certified in Aug 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>	<i>No outstanding issues</i>
5.	Baturong POM	Sept 2009	<i>Certified in Oct 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>	<i>No outstanding issues</i>
6.	Bukit Leelau POM	April 2010	<i>Certified in Nov 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>	<i>No outstanding issues</i>
7.	Mayvin POM	August 2010	<i>Certified in Dec 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>	<i>No outstanding issues</i>
8.	Pukin POM	Dec 2010	<i>Certified in Jun 2012</i>	<i>ASA-03 done.</i> <i>ASA-04 planned for 2015.</i>	<i>No outstanding issues</i>
9.	Leepang POM	Aug 2012	<i>Certified in Dec 2013</i>	<i>ASA-01 done.</i> <i>ASA-02 planned for 2015.</i>	<i>No outstanding issues</i>
10.	Syarimo POM	Sept 2012	<i>Certified in Mar 2013</i>	<i>ASA-01 done.</i> <i>ASA-02 planned for 2015.</i>	<i>No outstanding issues</i>
11.	Ladang Sabah POM	Oct 2012	<i>Certified in Apr 2013</i>	<i>ASA-01 done.</i> <i>ASA-02 planned for 2015.</i>	<i>No outstanding issues</i>
12.	Morisem POM, Sabah	Sept 2013	<i>Certified in Dec 2013</i>	<i>ASA-01 done.</i> <i>ASA-02 planned for 2015.</i>	<i>No outstanding issues</i>

13.	IOI-Pelita, Sarawak	Planned – Dec 2019	Uncertified Unit	<p>New certification for IOI, Pelita (Sarawak) is pending resolution of land dispute and RSPO decision.</p> <p>No POM yet</p>	<p>Settlement discussion with local community are presently in progress.</p> <p>RSPO has been briefed on 17/9/15 and 27/10/15 about Pelita Mediation Plan</p> <p>2 meetings between IOI Pelita and LTK community since IOI discussion with RSPO , on 9/11/15 and on 1/12/15 where RSPO attended the latter as an observer together with local expert from Sarawak ( law Professor specializing in the Rights of Indigenous Community ) during the discussion.</p> <p>Next meeting planned 30/12/15 or 12/1/16 subject to receiving confirmation from all parties.</p>
14.	IOI-Unico POM-1, Sabah	Planned – 2018	Uncertified Unit	<p>Acquired in 2014. Established OP plantations ( before 2005 )</p> <p>Supply Base has external / independent smallholders.</p>	<p>Certification preparation in progress.</p> <p>Delay expected due to further monitoring of implementation of RSPO requirements with regards to external FFB suppliers</p> <p>The readiness for external audit planned in 2018 only.</p>
15.	IOI-Unico Desa POM-2, Sabah	Planned – Sept 2017	Uncertified Unit	<p>Acquired in 2014. Established OP plantations ( before 2005 )</p> <p>Supply base comprise of own estates only.</p>	<p>Certification preparation in progress.</p>
16.	PT SKS, Indonesia	Planned – Dec 2016	Uncertified Unit	<p>Acquired in 2009 ( new concession land)</p> <p>2016 (POM just commissioned)</p> <p>HGU application in progress)</p>	<p>Certification preparation in progress.</p> <p>Delay expected on HGU</p> <p>Note: NPP issue was considered resolved in May 2012 via letter from RSPO</p>
17.	PP BNS, Indonesia	Planned – 2017	Uncertified Unit	<p>Acquired in 2009 ( new concession land)</p> <p>POM just commissioned in Feb 2015 and Govt HGU application in process)</p>	<p>Certification preparation in progress.</p> <p>Pending the issuance of HGU</p> <p>Note: NPP issue was considered resolved in May 2012 via letter from RSPO</p>
18.	PT BSS, Indonesia	2019	Uncertified Unit	<p>Acquired in 2009 ( new concession land)</p> <p>(No POM yet – in development phase) Govt HGU application in process)</p>	<p>Certification preparation in progress</p> <p>Pending the issuance of HGU</p> <p>NPP for on-going planting was completed and posted on RSPO website.</p> <p>Discussion with RSPO on compensation for the accidently cleared HCV is in progress. The alternative option of rehabilitation and restoration is also being planned</p>

19.	PT KPAM, Indonesia	2020	Uncertified Unit	<p>Acquired in 2010 ( new concession land)</p> <p>No POM planned yet. Reapplication of expired 'Izin Lokazi' in progress and development planned in 2017</p> <p>(No POM yet – re-application of expired Izin Lokasi and development planned in 2017)</p>	<p>HCV assessment completed , SEIA in progress.</p> <p>NPP notification will follow once the HCV and SEIA assessment report are completed and reviewed.</p> <p>Earliest expected 2017</p>
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(Note: Time bound plan converted from a pdf file submitted by Ms Yeo Lee Nya , Manager – Sustainability on 15/12/15)

**APPENDIX D: LIST OF STAKEHOLDERS CONTACTED**

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
Harvesters, sprayers, manurers, Mandores ,staff , HA , etc	Internal Stakeholders	Housing and facilities Pay and salary day contract rates PPE Repairs	workers are satisfied with the payment timing , housing and facilities.

As at 15/1/16 the following was sighted under the RSPO Case tracker website:

IOI Corporation Bhd is presently clarifying it's stand on the findings of a complaint raised in April 2015

Ref: <http://www.rspo.org/members/complaints/status-of-complaints/view/80>

<http://www.rspo.org/members/status-of-complaints?keywords=ioi&country=&category=>

**CASE TRACKER**

4.5 PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) subsidiary of PT Sawit Nabati Agro (PT SNA), IOI Group

Member PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) subsidiary of PT Sawit Nabati Agro (PT SNA), IOI Group

Date Filed 03 April 2015

Category Oil Palm Grower

Complainant  
t Aid Environment

IOI Group is alleged to do violation against RSPO Principles & Criteria, as well as RSPO procedures:

**PT Sukses Karya Sawit (PT SKS):** No NPP published, no challenging time-bound plan, substandard review by Certification Body, land clearing without Plantation Business Permit/ Ijin Usaha Perkebunan (IUP) and Location Permit/ Ijin Lokasi in 2009, fraudulent statement on activity on the ground issued to Provincial authority, no concession boundary filed in ACOP 2013-2014

**Complaint** **PT Berkat Nabati Sawit (PT BNS):** No NPP published, no proper review of time-bound plan by Certification Body, land clearing without Plantation Business Permit/ Ijin Usaha Perkebunan (IUP) and Location Permit/ Ijin Lokasi in 2009, fraudulent statement on activity on the ground issued to Provincial authority in 2009, no concession boundary filed in ACOP 2013-2014, encroachment in Manis Mata Production Forest (present), local media report report alleges encroachment outside IUP boundary (September 2014).

**PT Bumi Sawit Sejahtera (PT BSS):** HCV site #2 and forest cleared, canal constructed through HCV #2 prior to New Planting Procedure (NPP), not reported in NPP, deep peat clearance (after signing up to a peat restoration project), land scheduled for development in 2015 already cleared in 2014, incorrect categorization of NPP as "on going" because not all permits were obtained on 1 January 2010, land development prior to NPP, no concession boundary filed in ACOP 2013-2014,

Status Box D. Complaint Legitimate

#### 4.5.1 Synopsis

Points raised :

No NPP published, no challenging time-bound plan, land clearing without Ijin Usaha Perkebunan (IUP), fraudulent statement on activity on the ground issued to Provincial authority, no concession boundary filed in ACOP 2013-2014, encroachment, deep peat clearance.

Formal complaint lodged by Aid Environment on 3 April 2015. The Complainant expected these following actions:

1. RSPO to force IOI Group to comply with RSPO's Standards and Procedures, including to enforce RSPO's formal procedures which state that: "Failure to address any of the [partial certification] requirements (e)-(h) may lead to certification suspension(s) (consistent with the RSPO Certification Systems document rules on non-compliance) (RSPO Certification Systems article 4.2.4) and: "Members will not make any misleading or unsubstantiated claims about the production, procurement or use of sustainable palm oil." (RSPO Code of Conduct, article 2.1).
2. All areas opened up by IOI's subsidiaries PT SKS and PT BNS in Ketapang up to 1 April 2011 must be excluded from future RSPO certification.
3. Most land developed in non-compliance with RSPO's S&P will be RSPO-certified in future.
4. Request IOI to publicly declare that FFB from all land previously developed in PT SKS, PT BNS and PT BSS without full legal approval and/or without full compliance with RSPO's standards (>10,000 ha) will be excluded from future RSPO-certification for one rotation, whilst committing that the management regime in land bank where plantation development was allowed post hoc will be RSPO-based.



5. IOI shall come up with publicly available proposals to remediate and compensate SNA Group's non-compliances with RSPO's Standards and Procedures related to HCV areas within one month, subject to review and approval by a relevant RSPO Complaints Panel.
6. The Complaints Panel shall be guaranteed free from vested interest.
7. IOI shall not appoint an RSPO-accredited CB in consultation with the RSPO-secretariat to verify this complaint because one of Complainant's key findings is that the accredited CBs that IOI has worked with have systemically failed IOI, RSPO and other stakeholders. Should IOI's in-house sustainability team not credibly affirm or comment on the Complainant's findings, then Accreditation Services International (ASI) shall be requested to conduct the verification with cost covered from RSPO's regular contract with ASI.
8. IOI shall demonstrate that all of RSPO's standards and procedures are complied with throughout its uncertified land bank. This includes a comprehensive, concrete and publicly available Time-Bound Plans that will deliver full compliance with RSPO Standards and Procedures, particularly for IOI Pelita in Sarawak within 3 months so that this input is subject to mediated negotiation with Long Teran Kanan community.
9. IOI Group's suspension from trading RSPO CSPO shall remain in place until IOI Group and complainants jointly declare in writing to RSPO that aforementioned demands are adequately settled through fact-based negotiation, guided by RSPO's Impact Unit, overseen the RSPO Complaints Panel and subject to potential appeal through independent review by RSPO's Board of Governors.

#### Remarks

#### 14 April 2015

IOI sent formal response to Aid Environment (please see the letter on the table)

#### 24 April 2015

Complainant readdressed 3 points: 1) that the case is now up for formal consideration by the RSPO Complaints Panel and it is through this pathway that RSPO will make decisions as regard to the eligibility of the case, consequences and next steps; 2) IOI is free to take its own actions in the meantime but strongly suggest to avoid creating the impression that IOI and the RSPO Secretariat unilaterally reach decisions that involve the use of RSPO's systems, such as accredited CBs; 3\_ if IOI in-house team conducts a good, transparent verification, perhaps IOI and Aid Environment can depart from there but only once the Complaints Panel has laid out its position on the case.

#### 5 May 2015

RSPO Technical Team confirmed that PT Sukses Karya Sawit (PT SKS) and PT Berkat Nabati Sawit (PT BNS) did not have NPP notification.

As for PT Bumi Sawit Sejahtera, this is the link for the NPP (<http://www.rspo.org/certification/new-planting-procedures/public-consultations/ioi-group-pt.-bumi-sawit-sejahtera-bss>).

#### 6 May 2015

Aid Environment responded on the NPP:

1) T SKS and PT BNS must comply with NPP even though it started operations since 2009 because they conduct large scale of land clearing since 1 Jan 2010;

2) RSPO must ask IOI how many hectares of land that has been cleared without public notification since 1 Jan 2010 and why didn't they make public notification on RSPO website (for PT SKS and PT BNS).

#### 13 May 2015

RSPO Secretariat has Skype meeting with Aid Environment.

#### 19 May 2015

RSPO Secretariat has in person meeting with IOI Group in Kuala Lumpur.

#### 27 May 2015

RSPO Secretariat has in person meeting with Aid Environment in Jakarta.

#### May 2015

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Aksenta report (commissioned by IOI): "Talking Sustainability: Seeking the Truth. Findings on the Aidenvironment Allegations to PT. BSS and PT. BNS." May 2015"

**10 June 2015**

IOI: "Update on IOI's statement in response to report and complaint to RSPO by Aidenvironment on PT. SKS, PT. BNS and PT. BSS, Indonesia dated 30 March 2015. The update can be viewed [here](#)."

**25 June 2015**

Aidenvironment: "Response to the IOI Group-Aksenta verification of Aidenvironment's RSPO complaint".

**15 August 2015**

IOI has sent letter to RSPO.

**16 August 2015**

Aidenvironment has sent document of 'response to the Intertek verification of Aidenvironment's RSPO complaints against IOI Group'.

**24 August 2015**

AidEnvironment has sent letter to RSPO regarding complaints on IOI.

**28 September 2015**

RSPO has sent letter on preliminary decision to IOI

**10 October 2015**

IOI has sent their response on the RSPO preliminary decision.

**26 October 2015**

Aidenvironment has sent their final response on the RSPO Complaint against IOI Group