

**MSPO CERTIFICATION
INITIAL AUDIT
SUMMARY REPORT**

IOI CORPORATION BERHAD
Syarikat Pukin Ladang Kelapa Sawit Sdn Bhd (POM)
Rompin, Pahang, Malaysia

Certificate No:	INTERTEK MSPO 003A
Issued date:	6 July 2018
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Audit Type	Audit Dates
Initial / Stage 2	19 – 22 Mar 2018
Annual Surveillance - 01	
Annual Surveillance - 02	
Annual Surveillance - 03	
Annual Surveillance - 04	
Re-Certification	

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1.0 SCOPE OF AUDIT

1.1 Introduction

This Initial Audit was conducted on the Pukin Palm Oil Mill and Estates of IOI Corporation Berhad (hereafter abbreviated as IOI), from **19-22 Mar 2018**, to assess the organization's operations of the Pam Oil Mill and its FFB supplying plantations / estates are in compliance against the **MSPO Standard for Palm Oil Mills (MSPO MS 2530-4: 2013)**.

The Pukin Palm Oil Mill is registered under Syarikat Pukin Ladang Kelapa Sawit Sdn Bhd and the FFB supply base are made up of estates owned by IOI Corporation Berhad (IOI).

1.2 Location (address, GPS and map) of Palm Oil Mill and estates

The Pukin Grouping consists of one (1) palm oil mill, namely **Pukin Palm Oil Mill and five (5) estates** as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The estates are all IOI owned estates. The location maps are provided in **Appendix C**.

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

Name	Address	GPS Reference	
		Latitude	Longitude
Pukin Palm Oil Mill Capacity (60 MT/hr)	30km, Lebuhraya Tun Abdul Razak, Keratong, 85007 Rompin, Pahang	02° 43'07.9" N	102° 54'28.7" E
Pukin Estate	30km, Lebuhraya Tun Abdul Razak, Keratong, 85007 Rompin, Pahang	02° 43'07.9" N	102° 54'28.7" E
Shahzan 1 Estate	36km, Lebuhraya Tun Abdul Razak, Keratong, 85007 Rompin, Pahang	02° 47'58.5" N	102° 50'56.3" E
Shahzan 2 Estate	36km, Lebuhraya Tun Abdul Razak, Keratong, 85007 Rompin, Pahang	02° 48'59.6" N	102° 52'26.5" E
Segamat Estate	Km 5, Jalan Segamat Muar, 85009 Segamat, Johor	02° 29'22.0" N	102° 52'58.5" E
Bukit Serampang Estate	KM 12, Jalan Sagil-Tangkak, Segamat, 84900, Tangkak, Johor.	02° 19'53.7" N	102° 41'17.4" E

1.3 Description of FFB supply base

The supply base i.e. FFB sources to the POM at Pukin Grouping are from the abovementioned 5 estates owned by IOI. FFB from other certified IOI Grouping estates may be diverted to the Pukin POM.

Verification done on site during the Audit confirmed that there were no outgrowers / independent suppliers / smallholders involved in the supply of FFB to the said POM.

Details of the planted hectareage for the FFB supply for Pukin Grouping are as shown in Table 2 below.



Table 2: Estate Area Summary

Estate	Area Summary (ha) (Year 2016)		Area Summary (ha) – Current (Jan to Dec 2017)	
	Certified Area	Planted Area	Certified Area	Planted Area
Pukin Estate	2,428.12	2,188.00	2,428.12	2,173.00
Shahzan 1 Estate	1,562.95	1,518.00	1,562.98	1,512.00
Shahzan 2 Estate	1,640.77	1,601.00	1,640.74	1,601.00
Segamat Estate	1,896.27	1,718.00	1826.89 (Note 3)	1,702.00 (Note 3)
Bukit Serampang Estate	2,564.46	2,558.00	2,564.46	2,558.00
Total:	10,092.57	9,583.00	10,023.19	9,546.00

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation / unplantable areas including HCV (if any) marked out at the estates.
2. The estates sampled for this Assessment have been selected based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and any high conservation value areas.
3. Reduction in certified area and planted area for Segamat Estate is due to land acquired by IOI Properties for conversion to housing.

1.4 Summary of plantings and cycle

The estates been developed since 1989 and all are presently in the 2nd cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (Year 2017)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha)
Pukin Estate	1999	2 nd	2,173	0	2,173
	2001	2 nd			
	2004-2010	2 nd			
Shahzan 1 Estate	2000	1 st	1,512	0	1,512
	2003	1 st			
Shahzan 2 Estate	2002-2003	1 st	1,601	0	1,601
Segamat Estate	1989	1 st	1,262	440	1,702
	1991	1 st			
	1993-1997	1 st			
	2001	1 st			
	2002-2004	2 nd			
Bukit Serampang Estate	1993-2002	1 st	2,558	0	2,558
	2007	1 st			
	2011	1 st			
	2012	2 nd			
		Total	9,106	440	9,546



1.5 Summary of Land Use and HCV Areas

The summary of Land Use and HCV Areas as identified in Pukin Grouping during this assessment is shown in Table 4 below:

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	Year 2016 Hectarage – Ha	Year 2017 Hectarage – Ha
1	Planted Area (ha) – Oil Palm		
	- Mature (Production)	10,401	9,106
	- Immature (Non-Production)	233	440
2	Conservation Area (ha)		
	- comprising buffer zones along small streams, hilly areas, swampy and unplantable areas	493	80.8*
3	HCV Area (ha)		
	- comprising buffer zones near river riparian, forest reserves, water catchments, burial & religious sites	15	15

*Note: The significant change in conservation area is due to the transfer of Laukin A Estate to IOI Bukit Leelau Grouping. Laukin A Estate has a large unplantable area of 412.19 ha.

1.6 Other certifications held and Use of MSPO Trademarks

Currently, the other certification held by IOI Pukin POM and Estates Grouping are the RSPO P&C Certification and also the ISCC certification which are valid.

The MSPO trademarks and logo are not used by the POM / Estates audited. Instructions for use were provided and acknowledged by the POM / Estates through a signed Memorandum of commitment agreeing to adhere to the latest "MSPO Rules on Use of Logos and Trademarks; provided prior to the Audit.

1.7 Organizational information / Contact Person

At Head Office:

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1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM for processing at the Pukin Grouping based on the **actual for the past 12 months (Jan – Dec 2017)** is as in Table 5 below:

Table 5: Tonnages Verified for Certification (Jan to Dec 2017)

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Palm Oil Mill	MSPO P&C Certification By CB
1.	Pukin Estate	42,737.00	Pukin Oil Mill	Intertek
2.	Shahzan 1 Estate	41,729.44	Pukin Oil Mill	Intertek
3.	Shahzan 2 Estate	47,301.35	Pukin Oil Mill	Intertek
4.	Segamat Estate	32,142.92	Pukin Oil Mill	Intertek
5.	Bukit Serampang Estate	58,673.80	Pukin Oil Mill	Intertek
A	Sub-Total Pukin Grouping estates	222,584.51		
1	Leepang A estate	2065.18	*Bukit Leelau Oil Mill	
2	Laukin A Estate	531.98	*Bukit Leelau Oil Mill	
3	Mekassar Estate	434.75	*Bukit Leelau Oil Mill	
4	Merchong Estate	515.64	*Bukit Leelau Oil Mill	
5	Bukit Leelau Estate	461.91	*Bukit Leelau Oil Mill	
6	Detas Estate	443.92	*Bukit Leelau Oil Mill	
7	Sagil Estate	231.42	*Gomali Oil Mill	
8	Jasin Lalang Estate	194.34	*Gomali Oil Mill	
B	Sub-Total Other IOI Groupings estates:	4,879.14		
	Total:	227,463.65		
C	External / Other Suppliers	0		

*Note: FFB crop diverted from estates under IOI Bukit Leelau Grouping and IOI Gomali Grouping.

1.8.2 Total annual volumes / tonnages of FFB supplied from the supply base to Pukin Grouping POM during the previous, current and projected period are as shown in Table 6 below:

Table 6: Annual Tonnages of FFB

Estate / Supplier	FFB Processed in Year 2016 - Actual	FFB Processed in Year 2017 – Actual	FFB for Processing in Year 2018 - Projected
	MT	MT	MT
Pukin Grouping Estates	228,941.13	222,584.51	242,320

*Note: FFB crop diverted from estates under IOI Bukit Leelau Grouping and IOI Gomali Grouping are excluded for the purpose of MSPO certification.



1.8.3 The annual tonnages of CPO and PK produced by the POM verified during this **current audit and projected for next 12 months** are detailed as follows:

Table 7: Annual Tonnages – FFB, CPO & PK

POM	Actual - 2016		Actual - 2017		Projected - 2018	
Total FFB Processed (MT)	228,941.13		222,584.51		242,320	
Total CPO Production (MT)	51,740.70	OER: 22.60%	45,718.86	OER: 20.54%	55,128	OER: 22.75%
Total PK Production (MT)	11,378.37	KER: 4.97%	9,415.32	KER: 4.23%	10,904	KER: 4.50%

1.9 Abbreviations Used

CB	Certification Body	KER	Kernel Extraction Rate
CHRA	Chemical Health & Risk Audit	LTA	Lost Time Accidents
CPO	Crude Palm Oil	MPOB	Malaysian Palm Oil Board
CSDS	Chemical Safety Data Sheets	MPOCC	Malaysian Palm Oil Certification Council
CSPO	Certified Sustainable Palm Oil	MSDS	Material Safety Data Sheets
CSPK	Certified Sustainable Palm Kernel	MSPO	Malaysian Sustainable Palm Oil
EFB	Empty Fruit Bunch	MTCS	Malaysia Timber Certification Scheme
EHS	Environmental Health & Safety	MU	Management Unit
EIA	Environmental Impact Audit	NCR	Non-Conformance Report
ETP	Effluent Treatment Plant	NGO	Non-Government Organization
FFB	Fresh Fruit Bunch	OER	Oil Extraction Rate
GAP	Good Agriculture Practice	OHS	Occupational Health & Safety
HCV	High Conservation Values	PEFC	Programme for the Endorsement of Forest Certification
Intertek	Intertek Certification International Sdn Bhd	PK	Palm Kernel
IOI	IOI Corporation Berhad	POM	Palm Oil Mill
IPM	Integrated Pest Management	POME	Palm Oil Mill Effluent
ISCC	International Sustainability & Carbon Certification	PPE	Personal Protective Equipment
IUCN	International Union for Conservation of Nature	SCCS	Supply Chain Certification Standard
JCC	Joint Consultative Council	SOP	Standard Operating Procedure



2.0 AUDITING PROCESS

2.1 Auditing Methodology, Plan and Site Visits

Since 14 Feb 2018, Intertek has initiated stakeholder communications and notifications via emails to the relevant stakeholders before the audit to provide feedback and comments on their concern (if any) on the Pukin Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 19-22 Mar 2018, the Assessment team of Intertek conducted the Initial Assessment during which 3 out of the 5 estates of Pukin Grouping, namely Pukin, Segamat and Bukit Serampang estates as well as the Palm Oil Mill were assessed for compliance against the MSPO requirements.

The number of estates sampled was based on the sampling methodology with reference to the RSPO Certification Scheme i.e. minimum sample of x estates = $(0.8\sqrt{y}) \times z$, where y is the number of estates and z is the multiplier as defined by the risk assessment. The z multiplier value was determined as High Risk ($z = 1.4$) for this POM and Estates grouping considering the geographical location and distance of the estates, complexity of the labour force, landscape setting and presence of HCV or peat, complexity of supply sheds, number of communities and known conflicts, legality etc. Additionally the estates selection was made based on their potential risks on environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and HCV areas.

Note: The number of estates sampled based on the above sampling methodology is higher and meets the minimum as provided under the MSPO Certification Scheme.

During the on-site audit, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance.

The Audit team covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the audit and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

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

Intertek has also performed the evaluation of conformity against the MSPO Certification System requirements for CBs. The audit report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Review and the External Peer Reviews prior to the approval of this report and decision on certification by Intertek.

2.2 Date of next scheduled visit

The next scheduled visit will be the annual Surveillance Audit which will be carried out within a 12-month period of the certificate anniversary date.

2.3 Qualifications of the Lead Auditor and Audit Team

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

2.4 Certification Body

Intertek Certification International Sdn Bhd is part of the Intertek Group, which is a worldwide technical services organisation dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO P&C, RSPO SCC, ISCC, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of-Custody certification in applicable industry sectors including the agricultural and forestry sectors. Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide, and is available globally offering certification across a wide range of industries.

2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming audit via e-mails sent to the relevant stakeholders including government agencies, NGOs and local communities. E-mails and telephone enquiries were made prior to the actual audit and stakeholder's response and feedback received were followed up accordingly.



During the audit, stakeholders (who were available) were interviewed and their feedbacks were recorded and followed up during audit. Among the stakeholders consulted were workers, trade union leaders, women representatives; local community leaders, representatives of government departments / agencies and NGOs, suppliers and contractors.

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

1. Department of Lands And Mines (Kuala Lumpur)
2. Department of Environment (Kuala Lumpur)
3. Department of Forestry Peninsular Malaysia (Kuala Lumpur)
4. Department of Immigration (Kuala Lumpur)
5. Department of Irrigation & Drainage (Kuala Lumpur)
6. Department of Labour (Kuala Lumpur)
7. Department of Occupational Safety & Health (Kuala Lumpur)
8. Department of Orang Asli Affairs (Kuala Lumpur)
9. Department of Wildlife & National Parks (Kuala Lumpur)
10. Department of Environment, Johor
11. Department of Forestry, Johor
12. Department of Immigration, Johor
13. Department of Irrigation & Drainage, Johor
14. Department of Labour, Johor
15. Department of Occupational Safety & Health, Johor
16. Department of Wildlife & National Parks, Johor
17. Land and Mines Office, Johor
18. Pertubuhan Keselamatan Sosial (SOCSO), Johor
19. Department of Immigration, Pahang
20. Department of Irrigation & Drainage, Pahang
21. Department of Labour, Pahang
22. Department of Occupational Safety & Health, Pahang
23. Department of Wildlife & National Parks, Pahang
24. Land and Mines Office, Pahang

Statutory Bodies (by emails)

25. Malaysian Palm Oil Board (MPOB)
26. Malaysian Palm Oil Board (MPOB) - Northern Region
27. Malaysian Palm Oil Board (MPOB) - Central Region
28. Malaysian Palm Oil Board (MPOB) - Southern Region
29. Malaysian Palm Oil Board (MPOB) - Eastern Region
30. Malaysian Palm Oil Board (MPOB) - Sarawak Region
31. Malaysian Palm Oil Board (MPOB) - Sabah Region
32. Malaysia Palm Oil Association (MPOA)
33. Malaysia Palm Oil Association Kuala Lumpur (MPOA)
34. Malaysia Palm Oil Association Sabah (MPOA)
35. UNION – AMESU

NGOs (by emails)

36. All Women's Action Society (AWAM)
37. BCSDM - Business Council for Sustainable Development in Malaysia
38. Borneo Child Aid Society (Humana)
39. Borneo Resources Institute Malaysia (BRIMAS)
40. Borneo Rhino Alliance (BORA)
41. Center for Orang Asli Concerns COAC
42. Centre for Environment, Technology and Development, Malaysia - CETDEM
43. Eco Knights
44. ENO Asia Environment
45. Environmental Management and Research Association of Malaysia (ENSEARCH)
46. Environmental Protection Society Malaysia (EPSM)
47. Friends of the Earth, Malaysia
48. Future in Our Hands Society, Malaysia
49. Global Environment Centre
50. HUTAN - Kinabatangan Orang-utan Conservation Programme



51. Institute of Foresters, Malaysia (IRIM)
52. JUST - International Movement for a Just World
53. Malaysian CropLife & Public Health Association (MCPA)
54. Malaysian Environmental NGOs - MENGO
55. Malaysian National Animal Welfare Foundation – MNAWF
56. Malaysian Nature Society Johor
57. Malaysian Nature Society Pahang
58. Malaysian Plant Protection Society (MAPPS)
59. National Council of Welfare & Social Development Malaysia - NCWSDM
60. National Union of Plantation Workers (NUPW)
61. Partners of Community Organisations (PACOS)
62. Pesticide Action Network Asia and the Pacific (PAN AP)
63. Proforest - South East Asia Regional Office
64. R.E.A.C.H. - Regional Environmental Awareness Cameron Highlands
65. SUARAM - Suara Rakyat Malaysia
66. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia
67. Sustainable Development Network Malaysia (SUSDEN)
68. Tenaganita Sdn Bhd
69. The Malaysian Forum of Environmental Journalist (MFEJ)
70. TRAFFIC Southeast Asia - Wildlife trade & trafficking monitoring programme
71. Transparency International - Malaysian Chapter
72. Treat Every Environment Special Sdn Bhd. (TrEES)
73. United Nations Development Programme - UNDP Malaysia
74. Wetlands International (Malaysia)
75. Wild Asia Sdn Bhd
76. World Wide Fund for Nature (WWF) Malaysia

Local community (On-site interviews)

77. Consultative Committee & Gender representatives
78. Workers & Workers representatives
79. Village Heads & representatives
80. Suppliers & Contractors representatives



3.0 AUDIT FINDINGS

3.1 Summary of findings

Certification Unit: Syarikat Pukin Ladang Kelapa Sawit Sdn Bhd - POM	
Auditor/s: Dr. Ooi Cheng Lee (OCL), Augustine Loh (AL), Sazali Bin Hasni (SH) and Jumat Majid (JMD)	Audit Dates: 19-22 Mar 2018

P1: Management Commitment & Responsibility

Clause	Requirements	Evidence	Conformity
4.1.1	C1: MSPO Policy		
4.1.1.1	Indicator 1: Policy for the implementation of MSPO shall be established.	IOI Corporation Berhad has documented the Group Sustainable Palm Oil Policy (SPOP) dated 12 Jun 2017 alongside a detailed Sustainability Implementation Plan (SIP). The company has documented its MSPO Policy to comply with all applicable legislation and codes of practice within the SIP.	Complied
4.1.1.2	Indicator 2: The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.	The policy had also clearly stated the company's commitment which included continual improvement in the overall aspects of plantation management and community development.	Complied
4.1.2	C2: Internal audit		
4.1.2.1	Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	There is a documented procedure for conducting Internal audit. The Internal Audit Procedure SOP 8 Issue 1 Rev 0 (17/02/2018) stated that audit shall be carried out once a year. This does not fully satisfy the requirement that internal audit shall be planned and conducted regularly, taking into consideration the strong and weak points and potential area for further improvement.	Minor NC# OCL-01
4.1.2.2	Indicator 2: The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	A procedure for internal audit was established and documented, i.e. SOP 8 Issue 1 Rev 0 (17/02/2018). Internal audit on POM was conducted on 01/02/2018. There were 23 non-conformances raised for the internal audits on the POM. Audit results evaluated and corrective actions taken on the non-conformances.	Complied
4.1.2.3	Indicator 3: Reports shall be made available to the management for their review.	The audit report was documented and made available for Management review.	Complied
4.1.3	C3: Management review		
4.1.3.1	Indicator 1: The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	Management review for POM was conducted on 08/03/2018 and minutes of meeting maintained. However, the minutes merely make a reference to the Internal Audit Report for the POM and there was no analysis of the audit findings to demonstrate that the audit was effective and can be relied upon.	Major NC# OCL-01
4.1.4	C4: Continual improvement		
4.1.4.1	Indicator 1: The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.	Action plans for continual improvement have been specified and documented for the POM. However, some of the action plans did not have measurable objectives/targets in order to determine the effectiveness of the outcomes.	Major NC# OCL-02
4.1.4.2	Indicator 2: The company should establish a system to improve practices in line with new information and techniques; and for	Meetings and consultations were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company. The POM has a Biogas plant for power generation for usage at POM and nearby estates and housing quarters.	Complied



	disseminating this information throughout the workforce.		
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P2: Transparency

Clause	Requirements	Evidence	Conformity
4.2.1	C1: Transparency of information and documents relevant to MSPO requirements		
4.2.1.1	Indicator 1: The management shall communicate adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.	The management has adopted an open and transparent method of communication and consultation when dealing with relevant parties e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings. Languages used in written communications are in Bahasa Malaysia and English, coupled with verbal native dialects.	Complied
4.2.1.2	Indicator 2: Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	Management documents such as Policies, Stakeholder consultation processes, Financial Annual Reports are available upon request and at the IOI website: http://www.ioigroup.com/Content/S/S_Policy Any commercially confidential information will need special request before being provided.	Complied
4.2.2	C2: Transparent method of communication and consultation		
4.2.2.1	Indicator 1: Procedures shall be established for consultation and communication with the relevant stakeholders.	The management had established procedures and mechanisms to conduct stakeholders consultations, handle complaints and grievances through stakeholders meetings, Gender Consultative Committees (GCC), Employee Consultative Committees (ECC), Safety & Health Committees (SHC).	Complied
4.2.2.2	Indicator 2: The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1 (4.2.2.1).	The Mill Manager is overall responsible for any issues raised by local communities and other affected or interested parties regarding mill operations. Social Liaison Officers are also nominated to coordinate activities of the stakeholders, GCCs, ECCs and SHCs. Appointments letters as issued to the respective Social Liaison Officers.	Complied
4.2.2.3	Indicator 3: A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.	Latest stakeholders list sighted at Pukin POM was found to be incomplete. Four directly hired contractors are found not included in the list, e.g. CPO transportation and schedule waste contractors. Records of consultation and communication included attendance lists, minutes of the meetings, photographs of the meetings and meeting notes. Minutes of meetings had noted deliberation of the issues raised and recommendations of actions to be taken and the follow-up.	Minor NC# JMD-01
4.2.3	C3: Traceability		
4.2.3.1	Indicator 1: The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.	The IOI Group has established, implemented and maintained a procedure for traceability of FFB from the estates to the CPO and PK produced by the POM. Documented SOP on Traceability: SOP/COC/3 Issue No. 05 dated 01/01/2018.	Complied
4.2.3.2	Indicator 2: The management shall conduct regular inspections on compliance with the established traceability system.	Compliance with the traceability system determined via regular inspections, checking of records and internal audits.	Complied
4.2.3.3	Indicator 3: The management shall identify and assign suitable employees to implement and maintain the traceability system.	The Palm Oil Mill and Estates Organization Charts and job responsibilities of employees (Mill Manager, Estate Managers, Assistant Manager, Engineers, Assistant Engineers, Technicians, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined for the implementation and maintenance of the traceability procedure.	Complied



		Interviews of the relevant staff confirmed their knowledge of the traceability requirements for their respective areas of operations.	
4.2.3.4	Indicator 4: Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.	All records of incoming FFB transported / received, CPO and PK produced and delivered out, on a daily basis, were maintained and verified to be traceable via the Delivery Note, Lorry Ticket and Weighbridge Ticket which were maintained at the POM office. The POM monitors the stock volumes of CPO in the storage tanks and PK in the silo on a daily basis.	Complied

P3: Compliance to legal requirements

Clause	Requirements	Evidence	Conformity
4.3.1	C1: Regulatory requirements		
4.3.1.1	Indicator 1: All operations shall be in compliance with applicable local, national and ratified international laws and regulations.	<p>The Legal Requirements Register covering the applicable local and international laws and regulations is available at the POM.</p> <p>The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.</p> <p>Levy and other deductions have been taken with the consent of the workers in accordance with the regulations. FOMEMA (The Foreign Workers Medical Screening Expert) fees, for the health screening of foreign workers which was borne by the company and carried out as per the Ministry of Health guidelines.</p> <p>Licenses and permits (License for Trading, License for Employment of Foreign Workers, Workers Wages Deduction Permit, Domestic and Consumer Permit for Keeping Diesel, Petrol & Fertilizer, MPOB license, DOSH (Department of Occupational Safety and Health) Certificates, DOE (Department of Environment Permit, etc.) were renewed and evidenced to be valid.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSHS and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSHS.</p> <p>Valid license for diesel generators issued by Energy Commission ("Suruhanjaya Tenaga").</p> <p>Valid licenses for authorized gas tester (ACT), authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals.</p> <p>Noise Monitoring Report is available. Annual Audiometric testing of workers exposed to high noise levels were done. The audiometric reports of some employees indicated as</p>	Complied



		<p>having hearing impairment and were recommended to wear hearing protector. Verified that ear plugs and mufflers were issued and worn by the workers during site inspection. Baseline audiogram and occupational and medical history records of the workers were available and noted to be maintained.</p> <p>Legal documents of foreign workers (including work permits and passports) are renewed and valid. Insurance coverage is maintained and available for foreign workers (if any) in the POM.</p> <p>Land Assessment and statutory returns to relevant authorities found to be in compliance.</p> <p>Based on the site observations, interviews and records checked, there was evidence of compliance with the relevant laws, regulations, local and international laws at the POM. There were no cases of any violation or actions imposed by relevant authorities.</p>	
4.3.1.2	Indicator 2: The management shall list all relevant laws related to their operations in a legal requirements register.	The organization has listed all local and international laws applicable to their operations in a Legal Requirements Register (LRR).	Complied
4.3.1.3	Indicator 3: The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	<p>The documented system for identifying, determining, reviewing and updating applicable legal and other requirements has been satisfactorily implemented. The Legal Requirements Register was verified to be reviewed for the POM on 02 May 2017 for any relevant updates.</p> <p>All relevant updates noted to be communicated by the IOI HQ to all POMs within the IOI group.</p> <p>Listing of laws and regulations monitored with updated changes included the Employment Act 1955, regulations and circulars received from bodies such as DOE (Department of Environment) and DOSH (Department of Occupational Safety and Health), DID (Dept. of Irrigation and Drainage), Forestry Dept. and Wildlife Dept. which were noted to be satisfactorily adhered.</p>	Complied
4.3.1.4	Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	<p>Tracking of regulatory requirements and communication of changes is performed by the Senior General Manager at the IOI Group HQ, Putrajaya, Federal Territory.</p> <p>The mechanism of tracking the law changes as identified from IOI Group HQ, would be distributed to all POMs and Estates via email.</p> <p>Monitoring of compliance is done by the Sustainability, Safety and Health (Peninsular) Manager and Sustainability Team, who are based on site.</p>	Complied
4.3.2	C2: Land use rights		
4.3.2.1	Indicator 1: The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.	<p>Communities surrounding the POM are able to move freely without any issues or problems.</p> <p>Verified during site inspection that no such limitations had occurred.</p>	Complied
4.3.2.2	Indicator 2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.	<p>The POM is located within Pukin Estate. Copies of the land titles of all estates were maintained and noted to be legally owned by the IOI Group. The original copies are maintained by the Corporate Head office in Putrajaya. The POM has legal use of the land for oil palm milling activities.</p> <p>There were no recorded or known disputes over the ownership of the land. No changes to the land ownership or new land acquisition since the last audit.</p>	Complied
4.3.2.3	Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.	Locations of several boundary stones and markers were visited and verified to be within the boundary perimeter of the POM.	Complied



4.3.2.4	Indicator 4: Where there are, or have been disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	Verified that there were no borders at POM which were adjacent to any villages or native land. As such, the process of fair compensation and FPIC is currently not required to be applied.	Complied
4.3.3	C3: Customary rights		
4.3.3.1	Indicator 1: Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	Not applicable as this is titled land which is not encumbered by customary rights.	Not applicable
4.3.3.2	Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	Appropriate landscape maps with latitude & longitudes showing the legal boundary and neighbouring / surrounding areas of the POM were available and maintained. The lands at Pukin Grouping are legally owned or leased by IOI Group and it is verified that there were no other users or affected parties in the land areas.	Complied
4.3.3.3	Indicator 3: Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.	Not applicable as the titled lands are not encumbered by customary rights.	Not applicable

P4: Social responsibility, health, safety and employment condition

Clause	Requirements	Evidence	Conformity
4.4.1	C1: Social impact Audit (SIA)		
4.4.1.1	Indicator 1: Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.	Social Impact Assessment report and Management Plans at the POM were documented by the Sustainability Team. The plans included monitoring of negative impacts and enhancement of positive ones. Social impact assessment [SIA] for the year 2017 for IOI Pukin Grouping has been conducted together with relevant external and internal stakeholders in separate sessions. For example, external consultation session for Pukin POM was conducted on 22 Feb. 2017. The external consultations were attended by external stakeholders including suppliers, contractors, neighbouring estates, transporters, government agencies, etc. Monitoring records were retained and made available as evidence that actions had been taken.	Complied
4.4.2	C2: Complaints and grievances		
4.4.2.1	Indicator 1: A system for dealing with complaints and grievances shall be established and documented.	The management had established the Prosedur Aduan and Carta Alir Laporan Aduan on 21 Aug 2017. In addition, since Feb 2014, IOI had developed "Dasar Pemberi Maklumat (Whistleblowing)" [www.ioigroup.com/Content/CI/PDF/Corp_WhistleblowingPolicy.pdf] which was approved by "Jawatankuasa Audit dan Pengurusan Risiko". A Complaints / Grievance Register is maintained. Verified that issues registered are mainly on housing repairs, road conditions, water and electricity disruptions etc. The complaints are reviewed with appropriate actions taken and recorded.	Complied
4.4.2.2	Indicator 2: The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties.	The procedure and flowchart outlined the mechanism whereby all complaints or grievances will be received and be acted upon by the Social Liaison Officers who will investigate the matter and resolve with the affected parties.	Complied



		Complaints and grievances are investigated, addressed and resolved based on their severity. Minor complaints will normally be resolved within 2-3 working days, whilst major complaints and grievances will be resolved based on priority and budget availability. No complaints related to sexual harassment received so far, but the procedures stated such issues will be handled with the utmost privacy and confidentiality by the GCC. Verified that there no instances of any serious disputes.	
4.4.2.3	Indicator 3: A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.	All complaints and grievances received are documented either in the form of log book as in the Grievance Book, meeting minutes for the ECC, GCC, Safety meetings and annual stakeholder consultations or respond forms. Decisions and action as responds to the complaints and grievances received also very well documented with sufficient supporting documents as proofs. Other than reports made to the gender representatives, all other complaints and grievances are accessible to public. However, it was noted that numbers of grievances recorded from workers in the grievance books are declining. This decline is mainly due to many different avenues for the workers to raise their concerns to the management, especially through frequent meetings between workers and the management.	Complied
4.4.2.4	Indicator 4: Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	The Management informed the invited employees and surrounding communities at the internal and external stakeholders' consultations regarding their complaint/grievance procedure and feedback mechanism. External consultation session for Pukin POM was conducted on 22 Feb. 2017. Participation of external stakeholders were verified from contractors, suppliers, government agencies, police, neighbouring estate, etc.	Complied
4.4.2.5	Indicator 5: Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.	The Complaint and Grievance Books that recorded the nature of complaints and the resolutions had been maintained and available for the past 3 years.	Complied
4.4.3	C3: Commitment to contribute to local sustainable development		
4.4.3.1	Indicator 1: Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.	Main contribution of the POM to the local development was demonstrated in the provision of facilities and monetary contributions, where feasible. The mill is also supplying free treated water and electricity to the nearby workers housing area belong to both the POM and Pukin Estates. The POM is also at the same time providing a considerably big number of job opportunities to the communities surrounding the POM.	Complied
4.4.4	C4: Employees safety and health		
4.4.4.1	Indicator 1: An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) shall be documented, effectively communicated and implemented.	Occupational Safety and Health Policies and Plans were established and verified to be in accordance with the OSH Act,1994 and FMA 1967 (Act 139). The Plans have been reviewed (annually), up-dated and approved by the Mill Manager.	Complied
4.4.4.2	Indicator 2: The occupational safety and health plan shall cover the following:	Safety Policy and HIRARC documented for the POM. The HIRARC was reviewed on 02 Jan 2018. The OSH Programme 2018 include the following: • Safety & Health Committee meetings were held quarterly.	



<p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <p style="padding-left: 20px;">i) all employees involved are adequately trained on safe working practices; and</p> <p style="padding-left: 20px;">ii) all precautions attached to products should be properly observed and applied.</p> <p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk Audit and control such as Hazard Identification, Risk Audit and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment</p>	<ul style="list-style-type: none"> • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • PPE usage, • MSDS/CSDS, • JKKP 8 reporting of accidents annually, • Emergency Response Plan (ERP), • Emergency drills, • Inspections (line site, fire extinguisher, first aid box, chemical store, ELCB, PPE checklist, Vehicle daily inspection, gen set maintenance, ramp inspection, bridge and tanks inspection), • Monthly KPI Report on HSE performance, • Monthly Safety inspection & audit by Safety Officer, <p>CHRA report issued in Apr 2014 is still valid and recommendations were verified to have been adhered on-site. Next CHRA assessment scheduled for year 2019. Surveillance programmes for protecting workers' health and safety were satisfactorily implemented. Accident and emergency procedures had been established and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the mill and field operations.</p> <p>First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, & Health (ESH) committee.</p> <p>Medical care had been provided to all the workers at the Clinics noted to be nearby the POM office.</p> <p>Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with MSIG insurance noted to be valid.</p> <p>Records on Lost Time Accident (LTA) metrics and occupational injuries were available and verified to be satisfactorily maintained.</p>	
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	should be available at each worksite. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.		
4.4.5	C5: Employment conditions		
4.4.5.1	Indicator 1: The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.	The management had established the “Group Sustainable Palm Oil Policy” - http://www.ioigroup.com/Content/S/PDF/Sustainable%20Palm%20Oil%20Policy.pdf in Mar 2018, signed by Group CEO, which covered the necessary aspects of human rights related issues. The employees are informed through briefing during muster, at the GCC and ECC meetings. The policy is also displayed at notice boards in the office.	Complied
4.4.5.2	Indicator 2: The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	The management had established the Equal Job Opportunity Policy where the commitments included providing equal opportunities and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. The Policy is available in local languages and English and displayed at the Mill’s notice boards. Employment records were checked and confirmed that this policy had been implemented and maintained.	Complied
4.4.5.3	Indicator 3: Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	Documentation and conditions of pay for workers (including foreign workers) in the POM are available. Employment agreement with foreign workers, stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, insurance coverage, deductions, resignation notice period, company rules. Company procedures require the employment contract to be explained by management to potential foreign workers before contracts are signed. Pay slips are available for verification showed the workers were able to earn living wage that meet the Minimum Wage Order 2016.	Complied
4.4.5.4	Indicator 4: Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	The management ensured that employees of contractors are paid based on Minimum Wage Order 2016 by monitoring salary payment and interviewing the contractor’s employees. At the POM, a small number of workers found to have received less than stipulated minimum wages and reasons provided by the management were absenteeism, long holidays, five Sundays in a month, etc. These reasons were verified as sufficiently accurate during the audit. However, evidence is clear that the workers, who reached the daily target and working the whole month without being absent, received at least the minimum wages. Noted that many workers received much higher than the minimum wages.	Complied
4.4.5.5	Indicator 5: The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	The management maintained lists of employees that recorded the full names, gender, date of birth, date of entry, wage and period of employment. A brief description of the work that the foreign workers will be performing is written into the employment contract. Full job descriptions are documented for senior positions, such as Managers, Social Liaison Officer, and Safety & Health Officer etc.	Complied



4.4.5.6	Indicator 6: All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.	<p>All employees are provided with employment contracts in accordance with the regulations. The terms of employment are clearly specified in the contracts, which included position offered, period of employment, salary, overtime rate, rest days every Sundays, rate of pay when working on rest days, days and hours of work, approved deductions, termination of employment, holiday pay, rate of pay when working on holidays, leave pay, sick leave, maternity leave, passage expenses, expatriations of remains and burial arrangement, insurance.</p> <p>The employment contract is signed by the Mill Manager or his Assistant and the employee.</p> <p>Interview with the employees confirmed that they received a copy of the employment contract.</p> <p>Observation: At the POM, fully translated version of contract agreements into languages understood by the workers were found to be not available during the audit. This situation did not occur in the estates audited where fully translated version of contract was immediately produced when requested by auditors. The practice of using complete translation of contract should consistently be implemented in both POM and the estates.</p> <p>However, from training records sighted and interviews with workers it was confirmed that the workers at the POM have very good understanding of the content of the contract that they had signed.</p>	Obs# JMD-01
4.4.5.7	Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.	<p>The management had installed a biometric time recording machine that records the working hours and is linked to the database containing the details of each employee.</p> <p>Data recorded by the time recording machine are used for calculating the working hours and overtime.</p>	Complied
4.4.5.8	Indicator 8: The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirement applicable.	<p>The working hours of the employees and overtime rates are specified in the employment contract i.e. 8 hours per day. The working hours, breaks and overtime rates are in accordance with the regulations.</p>	Complied
4.4.5.9	Indicator 9: Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	<p>Pay slips clearly showed the basic pay or piece rate, number of days worked or total output, any allowable deductions and net amount.</p> <p>Any overtime, holiday pay, working on rest days or Sundays or Holidays, when applicable, are also shown on the pay slips.</p>	Complied
4.4.5.10	Indicator 10: Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings	<p>The employees are offered incentives on output, provided training, access to medical care and other benefits such as free housing, free water supply and free electricity supply. Also offered free education facilities, free childcare, and medical services to foreign workers and dependents of local workers.</p>	Complied
4.4.5.11	Indicator 11: In cases where on-site living quarters are provided, these quarters shall	<p>The POM complied with The Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) by providing adequate housing, water supplies, medical, educational and public amenities to their local and foreign workers.</p>	



	be habitable and have basic amenities and facilities.	Workers are provided with free living quarters constructed of permanent materials that have living rooms, bedrooms, kitchen and toilets. All the houses are supplied with treated water and electricity. The treated water for domestic use meets all the required parameters, including that of bacterium count (WHO Specification for Drinking Water Quality) (see also 4.5.5.1). The workers are provided with medical, educational and public amenities. On 19 Mar 2018, Pukin POM was found to have supplied insufficient water to the linesite. This has resulted in some contract FFB harvesters unable to prepare their meals. For this reason the harvesters decided not to turn up for work to avoid working in weak condition.	Minor NC# JMD-02
4.4.5.12	Indicator 12: The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.	The management had established the Policy On Prevention And Eradication Of Sexual Harassment In The Workplace. The policy is displayed at the notice board of the office and the workers are briefed about the policy during muster and the annual IOI policies briefing to all workers.	Complied
4.4.5.13	Indicator 13: The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	The published statements of policy which recognises employee's freedom of association, was noted to be available and widely displayed in Bahasa Malaysia. The POM had formed JCC and ECC as mechanisms to cater for the collective bargaining needs of the workers. Results of JCC meetings were minuted and available for verification. JCC as an alternative to workers union is scheduled to conduct their meeting quarterly. It was verified that each meeting is properly documented and filed complete with photographic evidence. Participants in JCC meetings normally involved workers representatives from different categories of workers such as general workers, drivers, laboratory, workshops, etc. JCC is one level higher than ECC meetings, where in ECC meetings all foreign workers are invited to attend and give their inputs on relevant concerns. The meeting minutes are accessible to all members in the JCC and other workers as well. In each meeting, the meeting started with approval of previous meeting minutes and evaluate the status of issues raised. Currently, the effective policy for JCC in IOI Pukin group is to conduct a meeting once in every two months. However, it was found that Pukin POM JCC did not have any meeting in Sep 2017. For the Jan 2018 meeting it has been postponed to Feb 2018.	Minor NC# JMD-03
4.4.5.14	Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.	There was no evidence of any child labor being used at the POM. The Child Labour Policy adopted by the POM managements had stated that the minimum age of workers is 19 years. Site inspection of the employment records in all estates confirmed that this has been complied. Inspection of the employment records including site visit to the POM confirmed that this requirement has been complied with. There was no evidence of any child labor being used at the POM.	Complied
4.4.6	C6: Training and competency		
4.4.6.1	Indicator 1: All employees and contractors shall be appropriately trained. A training programme shall include regular Audit of training needs	Training programme planned for year 2018 includes training for all categories of workers. Appropriate trainings on safe working practices are planned for: - workers exposed to machinery and high noise levels, - workers working in confined space,	Complied



	and documentation, including records of training.	The training programme included the various types of training such as firefighting and fire drill, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding MSDS/CSDS and first aid training. The trainings were conducted for year 2017 and evaluation carried out on each of the trainings to determine its effectiveness. Appropriate PPE (such as safety helmets, shoes, ear plugs, goggles etc.) had been provided to Mill workers, FFB unloaders at the place of work to cover all potentially hazardous operations. Records of training for each employee, including new employees were maintained.	
4.4.6.2	Indicator 2: Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	A formal training programme on all aspects of MSPO requirements have been established and implemented. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable. The training needs analysis discuss in Safety and Health meetings under the agenda of Safety & Health Training.	Complied
4.4.6.3	Indicator 3: A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.	Training programme planned for year 2018 includes training for all categories of workers. Trainings were conducted based on categories of work stations. Sampled trainings and records include Grading Station, Loading Ramp Station, Threshing Station, Boiler Station etc.	Complied

P5: Environment, natural resources, biodiversity and ecosystem services

Clause	Requirements	Evidence	Conformity
4.5.1	C1: Environmental management plan		
4.5.1.1	Indicator 1: An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.	A policy on environment was developed in accordance with the relevant country and state laws. It is documented and communicated to all levels of the workforce through briefings and placement of the policy on notice boards. Briefing on the said policy and management plans was conducted on 06 Jan 2018 to all staff and workers.	Complied
4.5.1.2	Indicator 2: The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	The Environmental Management Plan was initially prepared in Feb 2015 and latest review on 08 Mar 2018. It included the environmental policy and also the objectives. The Environmental Aspects and Impacts Assessment (EIA) was conducted and documented. It was reviewed in Mar 2018. The scope of assessment had included the management of mill effluents, management of pests and disease palms(IPM), maintenance of roads, drainage system fertilizing, spraying, transportation of FFB, schedule waste and garbage disposal, accordingly to the local requirements. The EIA report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones. The assessment had also included the relevant stakeholders to identify impacts and develop the mitigation measures such as relevant conservation activities.	Complied
4.5.1.3	Indicator 3: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.	The EIA document had also included the development of the Environmental Improvement Plan for the mitigation of negative impacts and promotion of positive impacts. The POME and EFB are delivered/recycled to the plantation for fertiliser and moisture retention purposes. The implementation and monitoring of the documented environmental improvement plan were reviewed annually and found to be satisfactorily implemented.	Complied



4.5.1.4	Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.	A Continual Improvement Plan has been developed and implemented for the promotion of positive impacts such as using Geotubes to help filter effluents solids and the maintenance of the fencing for the water ponds supplying water to the mill.	Complied
4.5.1.5	Indicator 5: An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives and management plans and are working towards achieving the objectives.	At the POM, awareness training programme to ensure employees understood the policy and objectives of the environmental management and improvement plans was not available and implemented to achieve the desired result.	Minor NC# SH-01
4.5.1.6	Indicator 6: Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.	Regular meetings and discussions or consultation with relevant employees were conducted in relation to environmental quality issues. In addition, on the job briefings were also conducted by the personnel to the relevant workers only.	Complied
4.5.2	C2: Efficiency of energy use and use of renewable energy		
4.5.2.1	Indicator 1: Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	Usage of non-renewable energy is monitored monthly. Record on the usage of diesel and electricity is available for review. Monthly records on energy consumption for non-renewable fuel (diesel) were maintained at the POM. Data compiled (5 years) for comparison and monitored to optimize the use of non-renewable energy. Records available were verified and showed satisfactory monitoring of the resources.	Complied
4.5.2.2	Indicator 2: Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.	Record on the usage of non-renewable energy for machineries involved in the POM operation is available. Monthly records on energy consumption for both renewable fuel (Palm fiber and PK shell) and non-renewable fuel (diesel) were maintained at the POM. Data compiled (5 years) for comparison and monitored to optimize the use of renewable energy. Data recorded had showed satisfactory monitoring of the energy consumption.	Complied
4.5.2.3	Indicator 3: The use of renewable energy should be applied where possible.	The POM has been using part of the EFB, FFB mesocarp fibers and shells in the boiler operations for power generation and supply. This has helped to reduce the consumption of diesel. Quantity of fibre and shell usage in 2017 was in the region of 100% fibre and 80% shell used as fuel.	Complied
4.5.3	C3: Waste management and disposal		
4.5.3.1	Indicator 1: All waste products and sources of pollution shall be identified and documented.	The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, POM waste and polluting materials e.g. EFB, POME, stack emissions and boiler ashes were maintained and monitored at the POM. Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102).	Complied
4.5.3.2	Indicator 2: A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution.	The waste management and disposal plan were in place at the POM. It has been documented and implemented as required and is being carried out responsibly and satisfactorily. Segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory practiced in the POM. Proper storage areas were identified for the storage of the recyclable wastes at the POM.	Complied



	b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.	Records on the usage and disposal were well recorded and documented at the POM. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be properly maintained at the POM. Disposal of schedule waste was done by an appointed contractor that is licensed by the Department of Environment i.e. OLST Petrochemical Sdn Bhd. Latest SW disposal was on 23 Feb 2018 and records maintained. Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Recycling bins of three different colour codes for specific recycle waste were available in the POM and were used for solid waste segregation and recycling. The solid waste management and disposal plan using landfills was also available, shared with Pukin estate landfill.	
4.5.3.3	Indicator 3: The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.	Standard operating procedure for the handling of used chemicals classified as Scheduled Waste has been developed and adhered to accordingly. At the POM, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned and according to the legal requirements. Stores for scheduled waste were inspected. The POM has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Records of e-Consignments are in order. Latest SW disposal was on 23 Feb 2018 and records maintained.	Complied
4.5.3.4	Indicator 3: Domestic waste should be disposed as such to minimise the risk of contamination of the environment and watercourse.	Domestic waste at line site was disposed using the designated landfill at the nearest estate, i.e. Pukin estate. The management of the landfill is satisfactory.	Complied
4.5.4	C4: Reduction of pollution and emission including greenhouse gas		
4.5.4.1	Indicator 1: An Audit of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.	Environmental internal audits were conducted by Sustainability Team. The most recent MSPO internal audit had indicated that there were evidence of proper monitoring, e.g. solid waste - landfill management, water pollution - water sampling and testing, water treatment for drinking purposes. Level of Greenhouse gases (GHG) emissions are monitored on yearly basis through the GHG calculation methodology accepted for RSPO and ISCC GHG calculations and certifications which are achieved and valid. Internal audit reports and GHG emissions are satisfactorily done and monitored.	Complied
4.5.4.2	Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	Environmental Impact Assessment (EIA) on potential pollution to water, gaseous emissions to air and contamination on land was reviewed in Mar 2018. POM gas emissions also monitored online by DOE, using the Continuous Emissions Monitoring System (CEMS) and assisted by the Ringelman chart. It was verified to be within the permissible limits of DOE. POME treatment, monitoring and land application were monitored, maintained and adhered to DOE regulations. Land application of POME was channelled to nearest estate.	Complied
4.5.4.3	Indicator 3: Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the	Significant pollutants and greenhouse gas (GHG) emissions were identified, e.g. POME, diesel / fuel and fertilizer usage have been documented at the POM. This has been verified on-site.	



	relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.	<p>In addition, the POM has achieved the ISCC EU certification for sustainable biofuels production. Thus the GHG emissions calculation is up to date and has been compiled for Jan-Dec 2017. GHG calculation report has also been submitted to RSPO on 10 Mar 2018.</p> <p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are available and adhered accordingly.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements.</p> <p>The daily CEMS reporting summary chart indicated a maximum of 38.52% and an average of 9.12% opacity (DOE permissible limit is 40% max. opacity).</p> <p>It was verified that the POME is treated using aerobic and anaerobic ponds (total of 7 ponds, consisting of 6 effluent ponds and 1 bio polishing pond)</p> <p>Water samples at the final discharge point were taken at monthly intervals and tested by POM environment officer in charge and analysed to ensure compliance to DOE requirements. Records are maintained and verified on-site to have met the permissible regulatory limits (BOD < 20 ppm).</p> <p>Quarterly report on the environmental monitoring was also done and submitted to DOE, latest report was dated 11 Nov 2017.</p> <p>Observation: There was no lay out plan placed at the effluent site.</p>	Obs# SH-01
4.5.5	C5: Natural water resources		
4.5.5.1	<p>Indicator 1: The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Audit of water usage and sources.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>c) Ways to optimise water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p>	<p>Water Management Plans for the POM was reviewed in Feb 2018. Action plans has been identified and implemented accordingly.</p> <p>The water management plan had included the source of water and how it is being treated for POM use, their usage monitored and recorded. The source of water was obtained from Sungai Pukin. Licensed to use and collect water from the river issued by SPAN vide license number: SWUL/LPSA/72/2018, expiring in Dec 2018.</p> <p>Water quality analysis of Sungai Pukin is done at six months interval.</p> <p>Water samples collected and analysis carried out at twice a year for the treated water. The treated water for domestic use meets all the required parameters, including that of bacterium count (WHO Specification for Drinking Water Quality).</p> <p>Water usage in the POM from Jan - Dec 2017 ranged from 0.99 to 1.43 m³/tonne FFB with an average of 1.33 m³/tonne FFB which is within industrial norm of 2 m³/tonne FFB for such POM capacity.</p>	Complied
4.5.5.2	Indicator 2: Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.	<p>The POME at the final treatment pond was channelled for land application at the nearest Pukin estate. The final discharge is into streams leading to Sungai Pukin.</p> <p>No direct discharging to any water course was practised.</p>	Complied

P6: Best practices

Clause	Requirements	Evidence	Conformity
4.6.1	C1: Mill management		
4.6.1.1	Indicator 1: Standard operating procedures shall be	POM has documented SOPs for its operations. The procedures included the following:	Complied



	appropriately documented and consistently implemented and monitored.	<p>1. Palm Oil Mill Operation from reception of FFB, Operations for Laboratory, Biogas Plant, Polishing Plant, Water Treatment Plant, Boiler, Engine room, Workshops etc. for the processing until the delivery of processed oil and POME management. This was revised i.e. Doc No IOI/StOP/A on 01 July 2017 (Issue 02).</p> <p>2. Quality, Environmental and Occupational Health & Safety Manual and Procedures of Palm Oil Mill - The SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling.</p> <p>3. Procedure for Safe Work and Management of Safety and Health for Workers - The SOP for safe working practices in the POM includes hazards identification, risk Audit and control measures. The hazards include noise, chemicals, heat, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training, etc. and "permit to work system" for the mill.</p> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	
4.6.1.2	Indicator 2: All palm oil mills shall implement best practices.	<p>The POM had adhered to their SOPs and best management practices. Best Management Practices (BMP) implemented include Water Management, Monitoring of Emissions – Discharges & Pollution, Monitoring of Safety & Health of Workers, Water Ponds for Domestic & Recreational purposes</p> <p><u>Noncompliance finding:</u> Location: Pukin POM 1) Summary of recommendations by the medical doctor on the Annual Medical Surveillance report such as to get eyesight checked and corrected, to lose weight etc. on some of the workers, did not have clear evidence of followed up done. 2) Areas under construction were not cordoned off or placed with signages to indicate safety precautions needed at those areas e.g. near Settling tank area, and Biogas – Site lab area.</p> <p><u>Observation raised:</u> First Aid Kit at Laboratory noted without the Checklist of Items</p>	<p>Major NC# AL-01</p> <p>Obs# AL-01</p>
4.6.2	C2: Economic and financial viability plan		
4.6.2.1	Indicator 1: A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	<p>The 5-year Business Management Plan (FY 2017/2018 to FY 2022/2023) for the POM was documented and reviewed.</p> <p>The Annual Budget for each year include the following: (1) Staff and Labour requirements; (2) Crop projection; FFB yield/ha trends; (3) Mill extraction rates; OER trends; (4) Cost of Production; Cost/mt FFB trends; (5) Cost of Production; Cost/MT CPO trends; (6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.). (7) Budget for Environmental, Social, Safety & Health, Training and Promotions.</p> <p>The Mill and Estate Managers have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).</p>	Complied



		Records of monitoring of costs against budget to achieve specified targets were verified to be available. Performances are discussed in the monthly meetings held at the MU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit. Monthly, quarterly, half-yearly and yearly reports are submitted to the IOI HQ at Putrajaya.	
4.6.3	C3: Transparent and fair price dealing		
4.6.3.1	Indicator 1: Pricing mechanisms for the products and other services shall be documented and effectively implemented.	All of the fresh fruit bunches (FFB) supplied to the mill are from IOI's own estates or diverted FFB from other IOI certified Estates Grouping. The pricing for FFB is available at the POM office.	Complied
4.6.3.2	Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.	Based on contracts agreed between contractors/service providers and POM, it is evident that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Interview with parties concerned confirmed that business practices with local businesses were conducted in a fair and transparent manner. It is further verified that payments to contractors and other service providers are paid within the period specified in the contract agreement.	Complied
4.6.4	C4: Contractor		
4.6.4.1	Indicator 1: In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	During external stakeholder's consultations and during training, the contractors are made to understand MSPO requirements. Information such as policies and procedures are provided. Monitoring records on Road Tax, Driving license and Insurances is available. Checks done on sample basis verified that the licenses and insurance coverage were still valid.	
4.6.4.2	Indicator 2: The management shall provide evidence of agreed contracts with the contractor.	Contract agreements are signed between the Mill Manager or his Assistant and the contractor. The terms and conditions of the contract are explained to the contractor. A copy of the contract is given to the contractors.	Complied
4.6.4.3	Indicator 3: The management shall accept MSPO approved auditors to verify the Audits through a physical inspection, if required.	Acceptance was obtained from the IOI Management. The acceptance was provided via signing by IOI Management on the Contract of Agreement for the MSPO Audit and confirmation of the Audit Plan & Auditors, before the actual audit.	Complied

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

The status of the Noncompliances (NCR) and Observations (OBS) identified against the MSPO Compliance Indicators is as per the details below:

Audit Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Initial Audit / Stage 2	2018	8 (3 Major & 5 Minor)	3	Next Surveillance Assessment

3.2.1 Year 2018: 3 Major NCs

NCR	MSPO Indicator	Details of NCR
Major OCL-01	4.1.3.1	Date issued: 22 Mar 2018
		Noncompliance:



MS 2530-4 POM	<p>Management review for the POM was conducted on 08/03/2018 and minutes of meeting maintained.</p> <p>However, the minutes merely make a reference to the Internal Audit Report for the POM and there was no analysis of the audit findings to demonstrate that the audit was effective and can be relied upon.</p>	
	<p>Root Cause and Corrective Action(s): by Auditee Representative</p>	
	<p>Root cause:</p> <p>Though only the internal audit non-compliances were highlighted in a summarized form during the management review, all the internal audit findings of the mill was attached as an appendix together with the Management Review Meeting Minutes Document.</p>	
	<p>Corrective Action:</p> <p>An analysis and summary of all the internal audit findings for the IOI Pukin mill was done and presented in the Management Review Meeting Minutes. Please refer to Appendix 1.</p>	
	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>	
	<p>MAJOR NC:</p> <p>On-site / Off-site Verification on date: 14&15 May 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Revised Management Review Meeting minutes contained the analysis and summary of all the internal audit findings. Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p>	
	<p>Minor NC: N.A</p> <p>On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:- <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>	
	<p>NC status verified by auditor: Closed by OCL</p>	<p>Date closed: 15 May 2018</p>
	<p>Verification of effectiveness: Next Assessment</p>	
	<p>NC status verified by auditor: -</p>	<p>Date verified: -</p>

NCR	MSP0 Indicator	Details of NCR
Major OCL-02	4.1.4.1 MS 2530-4 POM	Date issued: 22 Mar 2018
		Noncompliance:
		Action plans for continual improvement have been specified and documented for the POM. However, some of the action plans did not have measurable objectives/targets in order to determine the effectiveness of the outcomes.
		Root Cause and Corrective Action(s): by Auditee Representative



		<p>Root cause: The continuous improvement plans have been planned and presented individually by each estate management and mill management during the management review meeting. However, when those plans are documented in the management review meeting minutes, they have been summarized and documented in a simplified form which led to lack of certain information such as the main objective and monitoring of the progress.</p> <p>Corrective Action: The documentation of those continuous improvement plans have been revised and presented in detail in the Management Review Meeting Minutes. Please refer to Appendix 1.</p> <p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>MAJOR NC: On-site / Off-site Verification on date: 14&15 May 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Continuous improvement plans documented in the revised Management Review Meeting Minutes. Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p> <p>Minor NC: N.A On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:- <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p> <table border="1" style="width: 100%;"> <tr> <td>NC status verified by auditor: Closed by OCL</td> <td>Date closed: 15 May 2018</td> </tr> </table> <p>Verification of effectiveness: Next Assessment</p> <table border="1" style="width: 100%;"> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 15 May 2018	NC status verified by auditor: -	Date verified: -
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NC status verified by auditor: -	Date verified: -					

NCR	MSPO Indicator	Details of NCR
Major AL-01	4.6.1.2 MS 2530-4 POM	Date issued: 22 Mar 2018
		Noncompliance:
		<p>Location: Pukin POM</p> <p>1) Summary of recommendations by the medical doctor on the Annual Medical Surveillance report such as to get eyesight checked and corrected, to lose weight etc. on some of the workers, did not have clear evidence of followed up done.</p> <p>2) Areas under construction were not cordoned off or placed with signages to indicate safety precautions needed at those areas e.g. near Settling tank area, and Biogas – Site lab area.</p>
		Root Cause and Corrective Action(s): by Auditee Representative



	<p>(1) Pukin POM – Root Cause As the Hospital Assistant (HA) had already advised the workers regarding their medical conditions and precautions to be taken, the Management thought that that would be sufficient.</p> <p><u>Pukin POM – Corrective Action</u> The affected workers were sent to;</p> <ul style="list-style-type: none"> a) Mill’s panel clinic (Klinik Yeo Sdn Bhd) on 20th April 2018 for consultation regarding the eye problems (Fathul Hadi and R. Ramakrishnan). – App 1 (a). b) Hospital Assistant on 5th and 9th April 2018 for consultation regarding the weight problem – App 1 (b) c) Mill’s panel clinic (Klinik Yeo Sdn Bhd) on 6th April 2018 for consultation regarding the diabetic control – App 1 (c) d) Klinik Kesihatan Segamat on 11th April 2018 for others health problem (Liver ultrasound and blood sugar level test) – App 1 (d) <p>Briefing was conducted by Mill Manager and Hospital Assistant to all tested worker – App 1 (e)</p> <p>(2) Pukin POM – Root Cause Though the contractor carrying out the construction work near the Settling tank area was given a briefing on safety precautions (<i>Safety and Health Instruction for Contractor</i>) to be taken including cordoning off the work area and placing appropriate safety sign boards, and he failed to do so.</p> <p>The biogas area workers failed to remove the bolts and nut after removing a tank near the Biogas – Site lab area.</p> <p><u>Pukin POM – Corrective action</u> The following measures were taken by Pukin mill management:</p> <ul style="list-style-type: none"> a) The contractor was given another briefing on 2nd April 2018 and told to comply with all safety requirements; <ul style="list-style-type: none"> i. Safety and Health Instruction for Contractor - App 2 (a) i ii. Safety and Health briefing photos – App 2 (a) ii b) The work area was cordoned off and safety sign boards were displayed - App 2 (b) c) The bolts and nuts on the floor of the tank area was removed immediately - App 2 (c) <p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p><u>MAJOR NC:</u> On-site / Off-site Verification on date: 14–16 May 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: (1) At Pukin POM, follow up action has been taken on the Annual Surveillance Report. Other supporting document relevant to the follow up action were made available during the verification. (2) At the POM, visit to site confirmed that, the areas under construction, the work site, has been cordoned and signage displayed. The bolts and nuts was also removed. Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. [] No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p>
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	<p>Minor NC: N.A</p> <p>On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:-</p> <p><input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>						
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by OCL & SH</td> <td>Date closed: 16 May 2018</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: Closed by OCL & SH	Date closed: 16 May 2018	Verification of effectiveness: Next Assessment		NC status verified by auditor: -	Date verified: -
NC status verified by auditor: Closed by OCL & SH	Date closed: 16 May 2018						
Verification of effectiveness: Next Assessment							
NC status verified by auditor: -	Date verified: -						

3.2.2 Year 2018: 5 Minor NCs

NCR	MSPO Indicator	Details of NCR
Minor OCL-01	4.1.2.1 MS 2530-4 POM	Date issued: 22 Mar 2018
		Noncompliance:
		The Internal Audit Procedure SOP 8 Issue 1 Rev 0 (17/02/2018) stated that audit shall be carried out once a year. This does not fully satisfy the requirement that internal audit shall be planned and conducted regularly, taking into consideration the strong and weak points and potential area for further improvement.
		Root Cause and Corrective Action(s): by Auditee Representative
		Root cause: As we carry out separate internal audits for RSPO, MSPO and ISCC in our operating centres every year, we felt that that once a year audit for MSPO would be sufficient. We also failed to notice the MSPO internal audit requirement
		Corrective Action: The Internal Audit Procedure SOP 8 Issue 1 Rev 0 (17/02/2018) has been revised to include the requirement that internal audit for MSPO certification shall be planned and conducted regularly, taking into consideration the strong and weak points and potential area for further improvement. Please see Appendix 1 Internal Audit Procedure SOP 8 Issue 1 Rev 1 (03/05/2018).
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		<p>MAJOR NC: N.A</p> <p>On-Site / Off-site Verification on dates: Corrective actions taken: Supportive evidences: Conclusion:</p> <p><input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p> <p><input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily address the issue and thus not acceptable for closure.</p> <p>Subject to further follow-up verification on (dates):</p>



	<p>Minor NC: On-site / Off-site Verification on date: 14&15 May 2018 Corrective Actions taken: As stated by Auditee in their RC & CA Supportive evidences: Revised Internal Audit Procedure SOP 8 Issue 1 Rev 1 (03/05/2018) satisfactorily addressed the requirement. Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>						
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Verification of effectiveness: Next Assessment							
NC status verified by auditor: -	Date verified: -						

NCR	MSPO Indicator	Details of NCR
Minor SH-01	4.5.1.5 MS 2530-4 POM	Date issued: 22 Mar 2018
		Noncompliance:
		At the POM, awareness training programe to ensure employees understood the policy and objectives of the environmental management and improvement plans was not available and implemented to achieve the desired result.
		Root Cause and Corrective Action(s): by Auditee Representative
		<p>Root cause: Policy training was given in general, referring to all established group policies. This is including stand-alone environment policy which was referred to explain on the company commitment towards environment. However, the content of the policy is too complicated for the understanding of general workers. In addition, mill management was not aware that management and improvement plans should be included in the environment awareness training for employees.</p> <p>Corrective Action: The company is in the midst of revising the Environmental Policy. Upon completing the revision of the policy on June 2018, the revised policy will be circulated to all operating centres, then it will be used together with improvement plans to train employees on environmental awareness.</p>
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		<p>MAJOR NC: N.A On-Site / Off-site Verification on dates: Corrective actions taken: Supportive evidences: Conclusion: [] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. [] No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates):</p>



	<p>Minor NC: On-site / Off-site Verification on date: 14&15 May 2018 Corrective Actions taken: As stated by Auditee in their RC & CA Supportive evidences: Training on the environmental policy has been conducted to all employees. At the same time, the policy is also now under revision and the new policy will soon be conveyed to all staff and workers. Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>						
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NC status verified by auditor: -	Date verified: -						

NCR	MSPo Indicator	Details of NCR
Minor JMD-01	4.2.2.3 MS 2530-4 POM	Date issued: 22 Mar 2018
		Noncompliance:
		Latest stakeholders list sighted at Pukin POM was found to be incomplete. Four directly hired contractors are found not included in the list, e.g. CPO transportation and schedule waste contractors.
		Root Cause and Corrective Action(s): by Auditee Representative
		<p>Root cause: Incomplete stakeholder list due to documentation error. The management thought the stakeholder list was sufficient with all the relevant stakeholders. The transporter contractors were verified to attend the latest stakeholder meeting, however not included in the updated stakeholder list.</p> <p>Corrective Action: Stakeholder list has been updated with addition of crude palm oil (CPO) transporters and schedule waste contractor e.g: Sasaran Perentas, Pengangkutan Wawasan Kota, Teo Tuan Kwee Sdn. Bhd. and OLST Petro Chemical Sdn Bhd. Refer to Appendix 1 – Revised Stakeholder List for Pukin Palm Oil Mill</p>
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		<p>MAJOR NC: N.A On-Site / Off-site Verification on dates: Corrective actions taken: Supportive evidences: Conclusion: [] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. [] No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily address the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates):</p>



	<p>Minor NC: On-site / Off-site Verification on date: 14&15 May 2018 Corrective Actions taken: As stated by Auditee in their RC & CA Supportive evidences: Updated Stakeholder list verified to be complete. Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by OCL & SH</td> <td>Date closed: 15 May 2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL & SH	Date closed: 15 May 2018
NC status verified by auditor: Closed by OCL & SH	Date closed: 15 May 2018		
	Verification of effectiveness: Next Assessment		
	<table border="1"> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -		

NCR	MSPPO Indicator	Details of NCR
Minor JMD-02	4.4.5.11 MS 2530-4 POM	Date issued: 22 Mar 2018
		Noncompliance:
		On 19 Mar 2018, Pukin POM was found to have supplied insufficient water to the linesite. This has resulted in some contract FFB harvesters unable to prepare their meals. For this reason the harvesters decided not to turn up for work to avoid working in weak condition.
		Root Cause and Corrective Action(s): by Auditee Representative
		<p>Root Cause: Due to insufficient water supply to line site, the management were in the process of replacing 2 inches poly pipe with 3 inches pipes to cater for increased demands of water from workers and staff. Due to this, the water supply was disrupted as the pipe replacement work was being carried out during the time of audit. It took about 1 day for the supply to become normal.</p> <p>Corrective Action: Replacement of piping for line site has been completed. Water supply is back to normal. Management have been told to arrange for alternate water supply whenever pipe maintenance work or water disruptions occur at the line site. or staff quarters (Appendix 1: Photos of new piping installation work at Pukin Mill) (Appendix 2: Email to Pukin Palm Oil Mill regarding water supply to Line site)</p>
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		<p>MAJOR NC: N.A On-Site / Off-site Verification on dates: Corrective actions taken: Supportive evidences: Conclusion: <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates):</p>



	<p>Minor NC: On-site / Off-site Verification on date: 14&15 May 2018 Corrective Actions taken: As stated by Auditee in their RC & CA Supportive evidences: Piping replacement at line site verified to be completed. Instruction for alternative water supply during maintenance works or water disruption. Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>						
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by OCL & SH</td> <td>Date closed: 15 May 2018</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: Closed by OCL & SH	Date closed: 15 May 2018	Verification of effectiveness: Next Assessment		NC status verified by auditor: -	Date verified: -
NC status verified by auditor: Closed by OCL & SH	Date closed: 15 May 2018						
Verification of effectiveness: Next Assessment							
NC status verified by auditor: -	Date verified: -						

NCR	MSPO Indicator	Details of NCR
Minor JMD-03	4.4.5.13 MS 2530-4 POM	Date issued: 22 Mar 2018
		Noncompliance:
		Currently, the effective policy for JCC in IOI Pukin group is to conduct a meeting once in every two months. However, it was found that Pukin POM JCC did not have any meeting in Sep 2017. For the Jan 2018 meeting it has been postponed to Feb 2018.
		Root Cause and Corrective Action(s): by Auditee Representative
		<p>Root Cause: Meeting was not conducted in September 2017 and January 2018 meeting due to overload of work, peak crop and change in person-in-charge of JCC meetings.</p> <p>Corrective Action: JCC meeting was held on 04/04/2018 at 4.30pm. Mill Manager reminded the Social Liaison Officer and Sustainability Staff to ensure that JCC meetings are held without fail once every two months.</p> <p>Attachment 1(a): JCC Meeting Notice Attachment 1(b): JCC Meeting minutes Attachment 1(c): JCC Meeting photos Attachment 1(d): Email to Pukin Mill regarding JCC Meeting</p>
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		<p>MAJOR NC: N.A On-Site / Off-site Verification on dates: Corrective actions taken: Supportive evidences: Conclusion: <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates):</p>



	<p>Minor NC: On-site / Off-site Verification on date: 14&15 May 2018 Corrective Actions taken: As stated by Auditee in their RC & CA Supportive evidences: JCC meeting verified to be conducted with minutes of meeting. Email sent out regarding the conduct of JCC meeting at two months' interval. Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>						
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by OCL</td> <td>Date closed: 15 May 2018</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 15 May 2018	Verification of effectiveness: Next Assessment		NC status verified by auditor: -	Date verified: -
NC status verified by auditor: Closed by OCL	Date closed: 15 May 2018						
Verification of effectiveness: Next Assessment							
NC status verified by auditor: -	Date verified: -						

3.2.3 Year 2018: Initial Audit / Stage 2: 3 Observations

Ref No:	MSPO Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark (if any)
OBS# SH-01	4.5.4.3 MS 2530-4 POM	There was no lay out plan placed at the effluent site.	22 Mar 2018	Next Assessment	
OBS# AL-01	4.6.1.2 MS 2530-4 POM	First Aid Kit at Laboratory noted without the Checklist of Items.	22 Mar 2018	Next Assessment	
OBS# JMD-01	4.4.5.6 MS 2530-4 POM	At the POM fully translated version of contract agreements into languages understood by the workers were found to be not available during the audit. This situation did not occur in the estates audited where fully translated version of contract was immediately produced when requested by auditors. The practice of using complete translation of contract should consistently be implemented in both POM and the estates. However, from training records sighted and interviews with workers it was confirmed that the workers at the POM have very good understanding of the content of the contract that they had signed.	22 Mar 2018	Next Assessment	

3.2.4 Identified Positive Elements

- 1) The company has continued to maintain and carried out CSR activities such as financial funding for education, social and religious activities.
- 2) The company has continued to maintain and implement the safety measures and pollution prevention programs and activities.
- 3) The company provide employment opportunities for the local community and other youths.



Report No.: M003A/18-1 IOI Corporation Berhad
Pukin POM: Initial Audit / Stage 2

4.0 AUDIT CONCLUSION AND RECOMMENDATION

Based on the findings above, IOI Pukin Palm Oil Mill had been able to demonstrate its compliance with the **MSPO (MS 2530-4:2013) Standard for Palm Oil Mill**.

Therefore, it is recommended that the certification of IOI Pukin Palm Oil Mill be approved.

Signed for and on behalf of
Intertek Certification International Sdn Bhd

Dr. Ooi Cheng Lee
Lead Assessor

Date: 05 July 2018

4.1 Acknowledgement of Internal Responsibility and Confirmation of Audit Findings

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

Signed for and on behalf of
IOI Plantation Services Sdn Bhd

Mr Ravi Tony
Manager
Sustainability, Safety and Health (Peninsular)

Date: 05 July 2018



4.2 INTERTEK – MSPO Certificate details for the Pukin POM

Certificate No:	MSPO 003A
Original Issue date:	6 July 2018
Expiry date:	5 July 2023
Organisation	IOI Corporation Berhad
Address of Head Office:	Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia
Name of POM	Syarikat Pukin Ladang Kelapa Sawit Sdn Bhd
Address of POM	30km, Lebuhraya Tun Abdul Razak, Keratong, 85007 Rompin, Pahang
MPOB License No:	
Standards:	MSPO MS 2530-4:2013 for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernel

Details of the Mill and Supply bases covered by this certificate and the tonnage approved are:

Name	Address	GPS Reference		Certified Area (ha)
		Latitude	Longitude	
Pukin Palm Oil Mill Capacity (60 MT/hr)	30km, Lebuhraya Tun Abdul Razak, Keratong, 85007 Rompin, Pahang	02° 43'07.9" N	102° 54'28.7" E	10,023.19
Pukin Estate	30km, Lebuhraya Tun Abdul Razak, Keratong, 85007 Rompin, Pahang	02° 43'07.9" N	102° 54'28.7" E	
Shahzan 1 Estate	36km, Lebuhraya Tun Abdul Razak, Keratong, 85007 Rompin, Pahang	02° 47'58.5" N	102° 50'56.3" E	
Shahzan 2 Estate	36km, Lebuhraya Tun Abdul Razak, Keratong, 85007 Rompin, Pahang	02° 48'59.6" N	102° 52'26.5" E	
Segamat Estate	Km 5, Jalan Segamat Muar, 85009 Segamat, Johor	02° 29'22.0" N	102° 52'58.5" E	
Bukit Serampang Estate	KM 12, Jalan Sagil-Tangkak, Segamat, 84900, Tangkak, Johor.	02° 19'53.7" N	102° 41'17.4" E	

The annual tonnages produced at the POM are detailed as follows:

Pukin POM	Annual Tonnages (MT)
FFB	242,320
CPO	55,128
PK	10,904



APPENDIX A:

Qualifications of Lead Auditor and Audit Team

Dr. Ooi Cheng Lee (OCL) Lead Assessor / Team Leader / Technical Expert

(Palm Oil Mill, Environment, OHSAS, Social, HCV, Land Use and Supply Chain)

- PhD in Welding, Cranfield University, UK
- M.Sc. (Engineering) in Metallurgy, University of Birmingham, UK
- B.App.Sc (Hons), Science University of Malaysia
- Diploma in Translation for Science and Technology, Malaysia Translation Society

Dr. Ooi Cheng Lee is an IRCA Lead Auditor and Lead Tutor for ISO 9001. He is also involved in auditing in other integrated management systems. He has successfully completed the RSPO Lead Assessor Course for Principles and Criteria (RSPO P&C) and the RSPO Supply Chain Certifications (RSPO SCC). He is currently involved in the management of all types of system and process/product certification in Intertek. He has more than 32 years work experience in product and process specifications, research & development, inspection and testing, quality assurance, engineering development, training, product certification, auditing and quality management system certification. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Vietnam, Philippines, China, Myanmar, Cambodia and other regional countries. Assessments include those of rubber and oil palm plantations in Malaysia and Indonesia. His previous position as the General Manager of Lloyd's Register Quality Assurance (LRQA) Malaysia include the management of all types of systems certification, including that of environmental (ISO 14001), safety & health (OHSAS 18001) and Clean Development Mechanisms (CDM). He is currently the General Manager in Intertek Certification International Sdn. Bhd. He is a member of the Internal Review Panel for RSPO Assessment reports since May 2011. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2012.

Mr. Augustine Loh (AL) – Assessor / Technical Expert

(Palm Oil Mill, Environment, Social, Conservation & HCV area, GAP, IPM, Land Use and Supply Chain)

– Master in Business Administration, USA and Diploma in Maritime Studies, Singapore

Mr. Augustine Loh is an IRCA Third Party Assessment Lead Auditor and IRCA Lead Tutor for IRCA ISO 9001 and OHSAS 18001 Lead Auditor Courses as well as Tutor for RSPO Certification Programs and Integrated Management System in Intertek, Malaysia. He is a PORLA Licensed Surveyor / Inspector. He has over 25 years of fieldwork and experience in Palm based product survey, supply chain monitoring, inspection and testing. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001, ISO 14001, OHSAS 18001, ISO 22001, ISO 27001, RSPO Principles and Criteria Lead Assessor Course, RSPO Supply Chain Certification and the International Sustainable Carbon Certification (ISCC) Lead Auditor courses. He has also completed the RSPO training on RSPO P&C, RSPO Palm GHG tool, RSPO RED and RSPO NEXT requirements. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Brunei, Thailand, Cambodia and Australia. He is currently the RSPO Regional Program Manager of Intertek Certification International, Malaysia and has performed over 800 auditing days on quality, environmental and safety & health assessments in various sectors including agriculture and oil palm plantations. He was the RSPO CB Assessment Team Leader / Member which audited several RSPO certified Plantation Management Units since 2009. He was the CB Team Leader in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He is a member of the CB Internal Review Panel for RSPO Assessment reports since 2010. He is also a Lead Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

Mr. Sazali Hasni – Assessor / Technical Expert

(Environment, Conservation and HCV area)

- Bachelor of Science (Forestry)

Mr. Sazali Hasni (SH) has over 25 years work experience in the forestry sector. He is an IRCA Auditor for ISO 9001 and auditor for the PEFC Chain-of-Custody Certification. He has successfully completed training in the Intertek In House RSPO P&C, MYNI. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research based projects.

Mr. Jumat Majid – Assessor – Social Responsibility and Workers Welfare

– BSc (Social Science)

Mr Jumat Majid (JM) has over 13 years work experience in the agriculture sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and RSPO P&C MY-NI Lead Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2010.



Appendix B:

Audit Plan (Actual) – POM and Estates Grouping audited simultaneously

Date	Time	Auditors and Audit Activity			
		Audit Team			
19 Mar 2018 Monday (Day 1)	8.00 am – 9.00 am	Travel to Pukin POM			
	9.00 am – 9.30 am	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)			
	9.30 am – 1.00 pm	Document Review and Audit by Auditors on respective MSPO Principles :1 to 6 for POM			
		OCL	AL	SH	JMD
		Site Audit at Mill • P1 Management commitment and responsibility • P2 Transparency • P3 Compliance to legal requirements	Site Audit at Mill • P3 Compliance to legal requirements • P6 Best practices	Site Audit at Mill • P3 Compliance to legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services	Site Audit at Mill • P3 Compliance to legal requirements • P4 Social responsibility, health, safety and employment condition
	• Verification of effectiveness of corrective actions for non-conformances (if applicable)				
	1.00 pm - 2.00 pm	Lunch Break			
	2.00 pm - 5.00 pm	Continue site audit at Palm Oil Mill			
	5.00 pm – 6.00 pm	Travel to Hotel & Break			
6.00 pm – 7.00 pm	Team Meeting and Discussion				

Date	Time	Assessors and Audit Activity			
		OCL	AL	SH	JMD
20 Mar 2018 Tuesday (Day 2)	8.30 am – 12.30pm	Site Audit at Segamat Estate • P1 Management commitment and responsibility • P2 Transparency • P3 Compliance to legal requirements	Site Audit at Segamat Estate • P3 Compliance to legal requirements • P6 Best practices • P7 Development of new plantings	Site Audit at Segamat Estate • P3 Compliance to legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services	Site Audit at Segamat Estate • P3 Compliance to legal requirements • P4 Social responsibility, health, safety and employment condition
		Lunch Break			
	1.30 pm - 5.00 pm	Continue Site Audit at Site Audit at Segamat Estate			
	5.00 pm – 6.00 pm	Travel to Hotel & Break			
	6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Audit Activity			
		OCL	AL	SH	JMD
21 Mar 2018 Wednesday (Day 3)	8.30 am – 12.30pm	Site Audit at Bukit Serampang Estate • P1 Management commitment and responsibility • P2 Transparency	Site Audit at Bukit Serampang Estate • P3 Compliance to legal requirements • P6 Best practices • P7 Development of new plantings	Site Audit at Bukit Serampang Estate • P3 Compliance to legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services	Site Audit at Bukit Serampang Estate • P3 Compliance to legal requirements • P4 Social responsibility, health, safety and employment condition



		• P3 Compliance to legal requirements			
	12.30 pm – 1.30 pm	Lunch Break			
	1.30 pm - 5.00 pm	Site Audit at Pukin Estate • P1 Management commitment and responsibility • P2 Transparency • P3 Compliance to legal requirements	Site Audit at Pukin Estate • P3 Compliance to legal requirements • P6 Best practices • P7 Development of new plantings	Site Audit at Pukin Estate • P3 Compliance to legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services	Site Audit at Pukin Estate • P3 Compliance to legal requirements • P4 Social responsibility, health, safety and employment condition
	5.00 pm – 6.00 pm	Travel to Hotel & Break			
	6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Audit Activity			
		OCL	AL	SH	JMD
22 Mar 2018 Thursday (Day 4)	8.30 am – 10.30 am	Site Audit at Mill • P1 Management commitment and responsibility • P2 Transparency • P3 Compliance to legal requirements	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below – subject to availability): • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community • Settlers, in the case of independent and organized smallholders. Notes 1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the audit. 2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement.		
	10.30 am – 11.00 am		Site Audit at POM or estates to follow up on any specific criteria/areas		
	11.00 pm – 12.00 pm	Preparation for Closing Meeting			
	12.00 pm – 1.00 pm	Team Meeting and Discussions with POM Management Representative			
	1.00 pm – 2.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office			
	2.00 pm onwards	Travel back to Kuala Lumpur			

Appendix: Audit Team Competency Matrix (Audit Areas)

MSPO	Areas	Lead Auditor (LA) / Auditor (A) / Technical Expert (TE)			
		OCL (LA / TE)	AL (A / TE)	SH (A / TE)	JMD (A / TE)
P1	Management commitment and responsibility	√			
P2	Transparency	√			
P3	Compliance to legal requirements	√	√	√	√
P4	Social responsibility, health, safety and employment condition	√			√
P5	Environment, natural resources, biodiversity and ecosystem services	√		√	
P6	Best practices	√	√		
P7	Development of new plantings (at Estates)	√	√		



APPENDIX C:

Location Map of Pukin Palm Oil Mill, Rompin, Pahang

