

RSPO PRINCIPLES & CRITERIA CERTIFICATION REPORT

Public Summary Information

Project Number:	MY02238		
Client:	IOI Corporation Berhad Morisem Sdn Bhd – Baturong Palm Oil Mill	RSPO membership #	2-0002-04-000-00
Country:	Malaysia	RSPO Registered Parent Company:	IOI Corporation Berhad
Scope:	Production of CPO and Palm Kernel		
Supply Chain Module:	Module D: CPO Mills: Identity Preserved		
Mill Capacity	Single , 30MT/hour	Number of Estate	4
Certificate Number:	SGS-RSPO/PM-MY10/00600	Date of Issue:	07 Oct 2015
		Date of Expiry:	06 Oct 2020
SGS Accreditation Code	RSPO-ACC-010	Date of accreditation:	24 May 2014
Contacts Job Description:	Manager - Sustainability		
Name:	a) Ms Yeo Lee Nya, Manager – Sustainability b) Mr. S.S Ragupathy, (General Manager, Lahad Datu Region)		
Address	<u>Physical address:</u> Head Office Level 8, Two IOI Square IOI Resort, 62502 Putrajaya Malaysia. Tel: +603-8947 8888 (Ext: 6861) <u>Baturong Palm Oil Mill</u> MDLD 5123, 3KM Jalan Segama, Lock Bag No. 15 91109 Lahad Datu, Sabah,	<u>Postal address:</u> a) Head Office IOI Corporation Berhad IOI Plantation Services Sdn Bhd Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia. Tel: +603-8947 8888 (Ext: 6861) b) Baturong Palm Oil Mill MDLD 5123, 3KM Jalan Segama, Lock Bag No. 15 91109 Lahad Datu, Sabah,	
Tel:	Tel: +6 03-8947 8888 (Ext: 6861) (Head Office)		
Cell Phone :	H/P: +6 012-2777798		
Fax:	-		
Web Site Address:	http://www.ioigroup.com		
Email:	yeo.leenya@ioigroup.com		
Standard:	RSPO P & C , Malaysian National Interpretation 2014 RSPO Supply Chain Certification Standard dated 21 November 2014		
Date of last report update	13 Nov 2015		

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End of Public Summary

BASIC EVALUATION INFORMATION

MAIN EVALUATION			
Evaluation Dates:	27th – 30th July 2015		
Team Leader/Team:	a) James S H Ong b) Abdullah Din c) Wong Loke Seong		
External Peer Review by:	Ganapathy Ramasamy	Date:	31 Dec 15
Report approved by:	Hoo Boon Han	Date:	31 Dec 15
Certification approved by:	Kenny Looi	Date:	31 Dec 15
Database logged by:	Othman Shahziela	Date:	31 Dec 15
SURVEILLANCE 1			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 2			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 3			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 4			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	

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SUMMARY

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

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

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

Baturong Group (Lahad Datu Region) consist of 4 estates namely Baturong 1, Baturong 2, Baturong 3 and Cantawan and a 30 tonne mill identified as Baturong Palm Oil Mill.

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

The following is the Organisation chart for Baturong Group (Lahad Datu Region)



Baturong Group (Lahad Datu Region) has completed the 1st cycle of certification that spanned a certification period from 08/10/2010 – 07/10/2015.

Main Evaluation: 28th September – 1st October 2010

Certified Date: 8th October 2010

1st Surveillance: 4th – 7th October 2011

2nd Surveillance: 27th – 30th August 2012

3rd Surveillance: 30th September – 3rd October 2013

4th Surveillance: 05th – 08th August 2014

During the 4th surveillance: Summary of CARs and Observations on RSPO ASA 04 were as follows: Major CAR : 2 (Closed), Minor CAR : 1, Observation : 1

Within the certification period, a total of 32 non-conformities were raised. All were closed except the Minor NC raised during the 4th surveillance which will be looked into during this recertification

This is the report of the main assessment for the recertification of **Baturong Group (Lahad Datu Region)**

LIST OF ABBREVIATION

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

1. SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

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

1.2 Certification Scope

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

1.3 Location and Maps

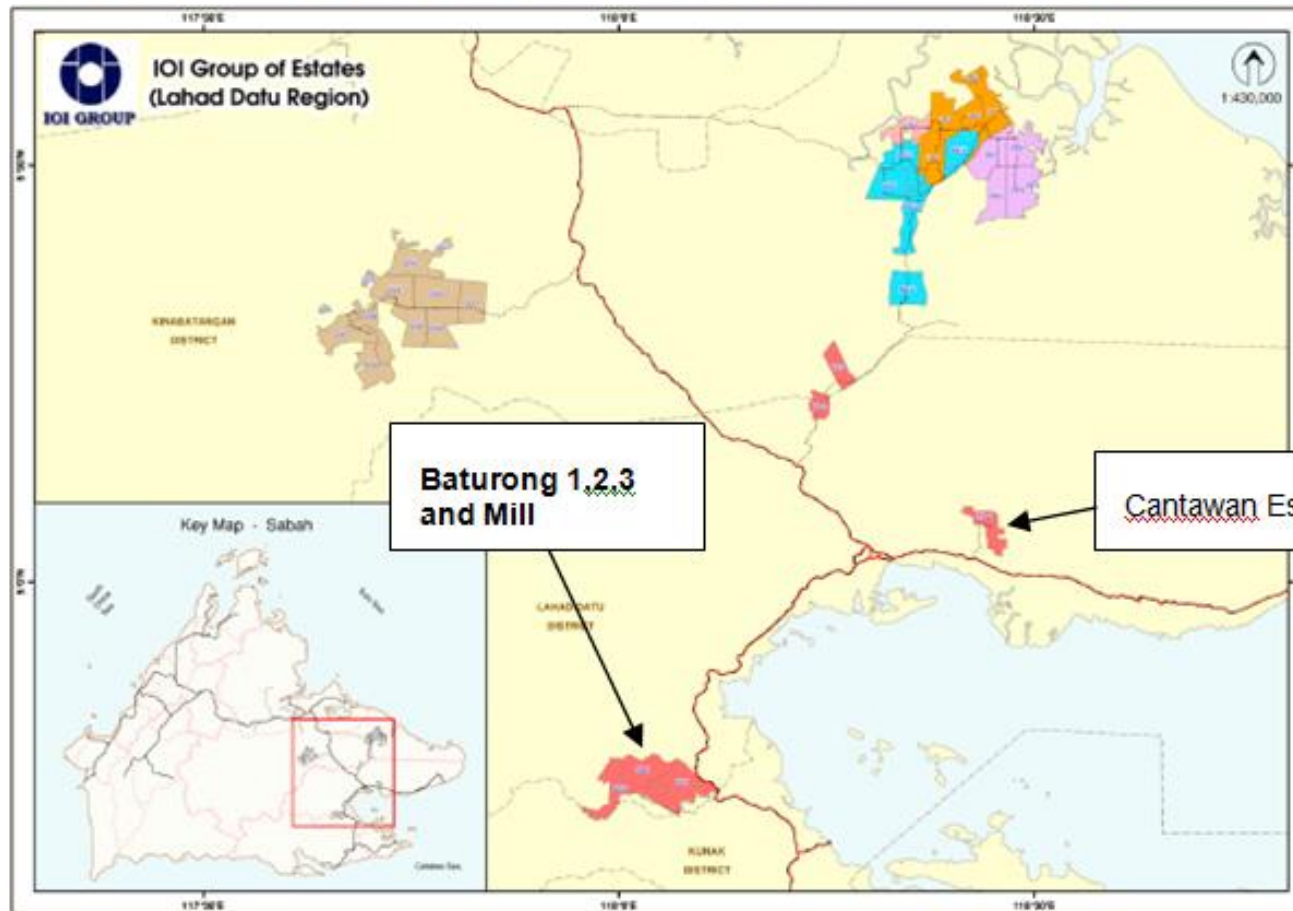
Baturong Group (Lahad Datu Region) is located in the district of Lahad Datu in the state of Sabah in East Malaysia. More detailed information on the estates location and layouts is shown in **Figures 1**. The GPS locations of the mills are shown in Table 1.

Table 1: Mill and Supply Bases GPS Coordinates

Mill/Supply Base	Longitude	Latitude
Baturong Palm Oil Mill	N 04° 45' 15"	E 118° 05'18"
Baturong 1 Estate	N 04° 45' 02.8"	E 118° 05'28.5"
Baturong 2 Estate	N 04°45' 453"	E 118°00'126"
Baturong 3 Estate	N 04° 45' 944"	E 118° 01'7"
Cantawan Estate	N 05° 03' 935"	E 118° 26' 853"

Figure 1: Location Map for Baturong Group (Lahad Datu Region) and its supplying bases

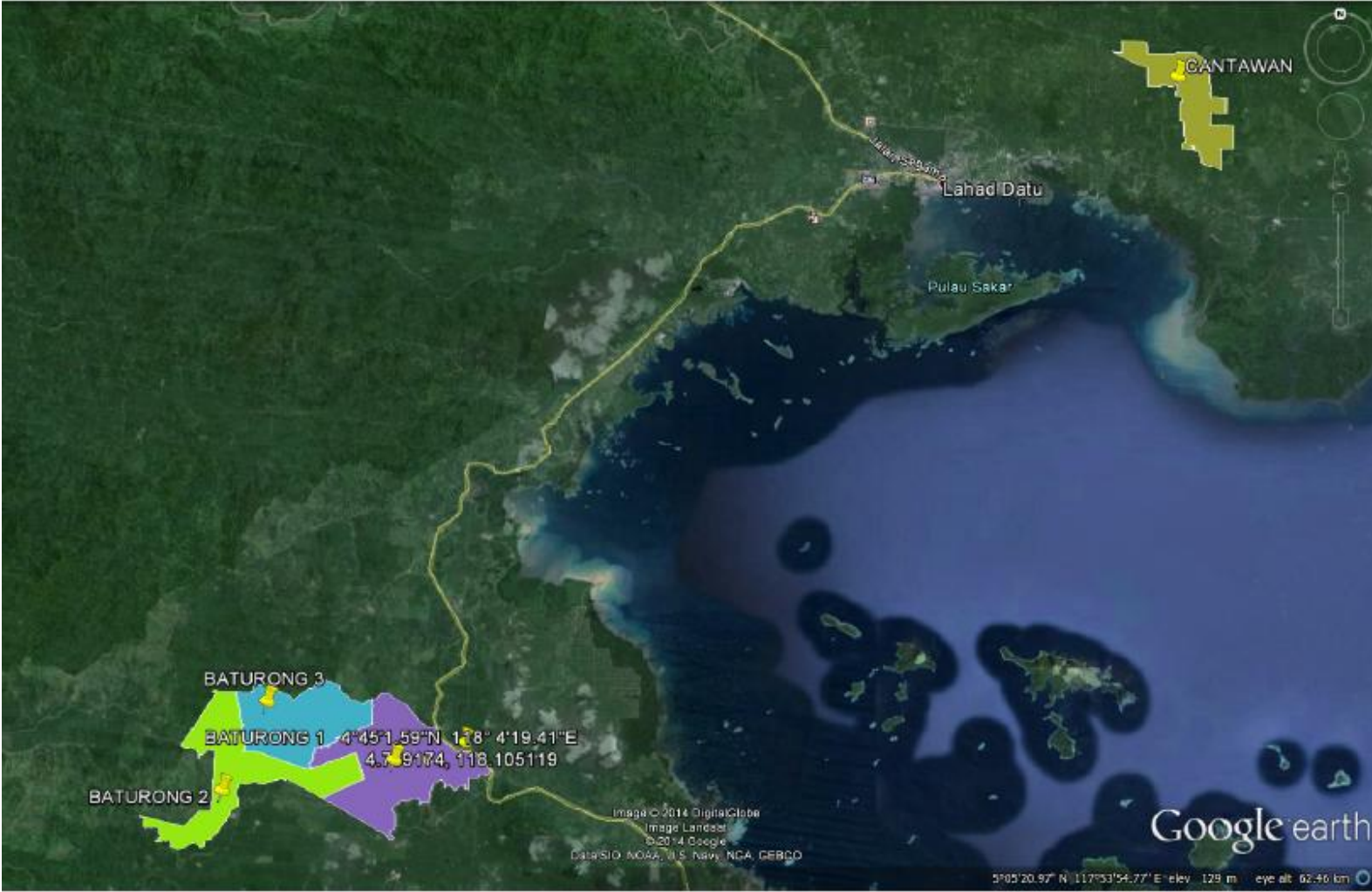
LOCATION OF IOI ESTATES IN LAHAD DATU REGION



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Figure 2 : Estate and Mill Location Map



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1.4 Description of Supply Base and Mill Processing Capacity

The FFB is sourced from 4 estates which are directly managed by **Baturong Group (Lahad Datu Region)**. The actual and the projected crop yields from each estate are listed in **Table 2** below. **Table 3** shows the actual and the projected processing date of **Baturong Palm Oil Mill**

Table 2: Actual (2014/15) and Projected (2015/16) FFB Production from Supply Base

Estates	FFB (Tonnage)	
	Actual FY 14/15	Projected FY 15/16
Baturong 1	48,045.81	49,730.00
Baturong 2	55,809.93	41,480.00
Baturong 3	48,573.44	33,675.00
Cantawan	18,933.69	18,680.00
Total Certified production	171,362.87	143,565

Table 3: Actual (2014/15) and Projected (2015/16) Processing Data

Mill	Mill Production Figures (MT)			
	Actual FY 2014/2015		Projected FY 2015/2016	
	CPO	PK	CPO	PK
RSPO certified production from own supplying estates	36,113.85	9,845.41	32,540.00	8,805.00
Total	OER: 21.07 %	KER: 5.74 %	OER: 22.67 %	KER: 6.13 %

1.5 Area of Plantation

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

Table 4: Area Statement of Supplying Base Estates

Name of Estates	Mature	Immature	Conservation Area (Ha)	HCV Area (Ha)	Others	Total Titled Area (Ha)
Baturong 1	2,060	700	8.91	8.16	215.80	2,992.87
Baturong 2	2,154	196	3.08	-	81.44	2,434.52
Baturong 3	1,709	149	7.79	15.01	175.41	2,056.21
Cantawan	884	423	36.03	-	109.38	1,452.41
Total	6,807	1,468	55.81	23.17	582.03	8,936.01

Other: Include roads, linesite, bridges and any others facilities and amenities.

1.6 Date of Planting and Cycle

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

Table 5: Planting Age Profile Supply Base Estates

Name of supplying estate	Planting Age (Ha)									
	Immature (< 36 month)			Below 6 years (2 nd Cycle)			16-25 years (1 st Cycle)			
	2013	2014	2015	2008	2010	2012	1992	1993	1994	1995
Baturong 1	432	268		250	258	377	384	791	-	-
Baturong 2	117	-	79	-	-	-	1,686	468	-	-
Baturong 3	149	-		-	-	-	-	1,709	-	-
Cantawan	106	116	201	-	-	-	-	100	452	332
Total	1,468			885			5,922			

1.7 Other Certification Held

Baturong Palm Oil Mill has also been ISCC EU certified

1.8 Organizational Information and Contact Person

The company contact person details are as follows:

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

1.9 Time-bound Plan for Other Management Units

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

The Group has 90 oil palm estates spanning across Malaysia and Indonesia with a land bank totalling 207,057 hectares, of which 177,680 hectares have been planted with oil palm. Approximately 63% of the Group's oil palm plantation holdings are in East Malaysia, 23% in Peninsular Malaysia and the remaining 14% in Indonesia.

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

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

(ref: http://www.ioigroup.com/Content/BUSINESS/B_Estates)

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

2. ASSESSMENT PROCESS

2.1 Certification Body

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

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

2.2 Assessment Methodology, Programme, Site Visits

The assessment was conducted in **03** audit days and involving **2** estates and the Baturong Palm Oil Mill (BPOM) of Baturong Group (Lahad Datu Region). The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues. A sample of stakeholders was consulted during the assessment to get their feedback on the management doing.

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

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

Table 6: Assessment Programme

Date	Location	Activities
27/7/15	Kunak , BPOM	<i>Jabatan Tenaga Kerja</i> Kunak ext stakeholder interview Opening meeting - Baturong POM Supply Chain audit Update on production BPOM visit – WSL Environment monitoring OSH Aspects Manufacturing practices Social aspects Document Review Presentation of Findings of BPOM
28/7/15	BTRG 3	JO, AD Field, Operation - Manuring and Spraying Interview workers and Mandore -PPE, FA, Pay , Housing, - Boundary markers, Steep Areas, Landfill, Riparian WSL - Storage chemical , Lubricants, SW, workshop, empty containers storage, premix, shower area and emergency shower, spill kits Documentation Review AD- Interview HA, Mandores, ECC Rep, Gender Presentation of Findings at BTRG 3 Estate
29/7/15		JO, WSL Field, Operation - Manuring and Spraying Interview workers and Mandore -PPE, FA, Pay , Housing, - EFB, Riparian WSL,JO - Storage chemical , Lubricants, SW, workshop, empty containers storage, premix, shower area and emergency shower, spill kit, diesel skid tank , Oil trap , new fertiliser and chemical store, contractor temporary hut Documentation Review AD, JO – Ext stakeholders Muis-Melewar, Jeleta Bumi AD – Interview Gender

		Presentation of Findings at BTRG 2 Estate
30/7/15	BPOM	<p>Document review at BPOM</p> <p>Preparation for closing meeting Closing Meeting Presentation of Summary of Findings</p> <p>Recommendations for IOI Corporation Bhd - Baturong</p>

2.3 Qualification of Lead Assessor and Assessment Team

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

Table 7: Auditor Profile

Evaluation Team	Profile/ Qualification/ Experience
Team Leader – Legal & Regulations, Plantation, GAP, supply chain	James S H Ong, a Bachelor of Agriculture Science holder and agronomist in SGS (M) Sdn Bhd. He has many years working experience in agriculture sector in Malaysia and has been working in estates as well in the agrochemical and fertilizer industry. He is well versed with agrochemical and fertilizer applications. Has undergone ISO 14001 and RSPO Lead Auditor training for both P&C as well as the Supply Chain and has already been involved in RSPO and ISCC certification audits since 2010.
Auditor 1 – Social	Abdullah Din, SGS (Malaysia) Sdn Bhd CoC Program Manager and Lead Auditor, is a forester by profession and a trained Lead Auditor with more than 8 years experience in forestry Chain of Custody (CoC) certification. He also has been involved in a number of Forest Management (FM) certification for the last 3 years. In addition, he is a Lead Auditor for RSPO, trained by RSPO for auditing against RSPO P&C and RSPO Supply Chain and involved in a number of plantation assessments and audit of palm oil mill. He is also involved in ISCC EU certification
Auditor 2 – Environment and OSH, Continuous Improvement	Wong Loke Song, Lead Auditor, Registered QMS Auditor (IRCA: 1199257) & a registered GDPMD Auditor. He is responsible for control, lead and manages all functions related to conducting of assessment, surveillance and renewal audits for organizations seeking system certification and independent audit services. Responsible for ensuring that all SGS specified requirements pertaining to certification process are adhered to. To conduct conformity assessment based on required audit criteria such as ISO 9001, ISO 14001, OHSAS 18001 and etc. with the objective in ensuring compliance and effectiveness and improvement opportunity of the client's management systems. He is also involved in providing training services based on SGS Yearly Training Calendar as well as in-house training programs.

2.4 Stakeholder Consultation and List of Stakeholders Contacted

A wide range of stakeholders were contacted 4 weeks before the planned evaluation to inform them of the evaluation and ask for their views on relevant palm oil sustainability issues. These included environmental interest groups, local government agencies and forestry authorities, social groups and workers' unions etc. Notification date was **8 June 2015**

Stakeholder consultation took place in the form of meetings and interviews. Meetings with government agencies and NGOs were held in their respective premises within and near the estates and **Baturong Group (Lahad Datu Region)** mill. In all the interviews and meetings the purpose of the audit was clarified at the outset followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded in accordance with relevant RSPO principles, criteria and indicators. See **Appendix D** for stakeholder's details and comments.

3. ASSESSMENT FINDINGS

3.1 Summary of Findings

3.1.1 Principles & Criteria

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

There is **0 Major** Non-conformities and **0 Minor** Non-conformities identified during this **Recertification** assessment. Some areas identified with potential areas for improvement has led into **06 Observations** raised. Details for each Non-conformities and observations are given in **Appendix A**. Major Non-conformities has been closed out within the period of 60 days after the assessment. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months after the RSPO approval of Main Assessment.

Principle 1: Commitment to Transparency					
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.					
1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.				Minor
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>List of updated stakeholders for the estates as well as the oil mill was sighted.</p> <p>The stakeholder list will be updated annually and the latest was updated Jan 2015.</p> <p>Stakeholders include :</p> <ul style="list-style-type: none"> a) Statutory Bodies e.g Labour Department Kunak b) Internal stakeholders c) Education Stakeholders d) Neighbouring estate e) Shop owners, contractors f) Environment NGO 				

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

	<ul style="list-style-type: none"> • Corporate Responsibility Policy • Sustainability Policy Statement • Agrochemical Management Policy • Environmental Policy • Community engagement include the following: <ul style="list-style-type: none"> - Boundary Disputes Handling - Squatters Disputes Handling - Social Issues Handling <p>At BTRG 2, the land title were sighted:</p> <p>a) Country lease 245352578 for 5,618 ha (Baturong 2 and Baturong 3)</p> <p>b) Country lease 245352587 for 855.6 ha (Baturong 2)</p> <p>As per the land title/country lease , the land is 'for the purpose of cultivation of oil palm , cocoa and/or agricultural crop of economic value'</p>	
1.2.2	Occupational health and safety plans (Criterion 4.7);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The Occupational Health and Safety plans is sighted in the 'Safety and Health Plan' prepared in January 2015	
1.2.3	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The reference 'Social Impact Assessment and management action plans Baturong Group' prepared on the 1/7/15 was sighted	
1.2.4	HCV documentation summary (Criteria 5.2 and 7.3);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The reference 'HCV and conservation area assessment and management action plans Baturong Group ' prepared on 5/6/15 was sighted	
1.2.5	Pollution prevention and reduction plans (Criterion 5.6);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The reference 'Environmental Impact Assessment and Management Action Plans Baturong Group' prepared on the 1/7/15 was sighted	
1.2.6	Details of complaints and grievances (Criterion 6.3);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The Grievance/ Request Book was referred for details complaints and grievances for internal and for external , the 'Social Records' is referred.	
1.2.7	Negotiation procedures (Criterion 6.4);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The Negotiation procedure is found in the reference 'Social Impact Assessment and management action plans Baturong Group' prepared on the 1/7/15 .	
1.2.8	Continual improvement plans (Criterion 8.1);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective	The Baturong Production Unit continual improvement plan is sighted in the individual Business	

evidence:	Plan for each estate and mill. In addition the 'Social Impact Assessment - Management action plan and continuous improvement plan 1/7/15' outline their social plans and the 'Environmental Impact Assessment and Management Action Plans Baturong Group' outline issues pertaining to the environment.				
1.2.9	Public summary of certification assessment report;				<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	Public summary of certification assessment report and their status are made publicly available as per RSPO procedure				
1.2.10	Human Rights Policy (Criterion 6.13)				<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>IOI Group has established a written policy committing to 'Respecting Human Rights Policy' dated 11 May 2015 by Mr Too Heng Liew, Head of Sustainability (Malaysia / Indonesia) IOI corporation Bhd that state the similar Human Rights and Workplace statement in the 'Sustainability Policy Statement ' by Dato ' Lee Yeow Chor CEO 15/12/14:</p> <ul style="list-style-type: none"> - Respect and support the universal Declaration of Human Rights and treat all employer fairly - Promote a safe, healthy and harmonious working environment that is free of sexual; harassment - Provide fair and equal employment opportunities for all employees regardless of race, religion or sex - Provide training and development to employee to ensure achievement of their full potential - Uphold the right of freedom of association and eliminate all forms of forced and child labour 				
Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.					
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>IOI Group has established a written policy committing to a code of ethical conduct and integrity in all operations and transaction : Code of Business Conduct & Ethics by Too Heng Liew 11 May 2015 that state the following commitment :</p> <ul style="list-style-type: none"> • A respect for fair conduct of business; • A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources; • A proper disclosure of information in accordance with applicable regulations and accepted industry practices. 				
Principle 2: Compliance with Applicable Laws and Regulation					
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.					
2.1.1	Evidence of compliance with relevant legal requirements shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	<input type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>At the time of this recertification audit it, the audit team observed that copies of legal documents are maintained and available with the compilation of a list of applicable laws and regulations at both mill and estate levels.</p> <p>Examples of files/legal documents/licenses verified :</p> <p><u>BPOM</u></p> <ul style="list-style-type: none"> • MPOB licence 500147404000 (01 January 2015 to 31 December 2015) for 288,000 MT • DOE license for holding and operating the premis no. 001220 dated 20 June 2005 – expired on 				

30 June 2016 . DOE for Land Irrigation (*Alur air, Pengairan Ladang*)

- Quarterly return AS4 were also available
- Permit Potongan daripada Gaji Pekerja , JTK 11(0062) LDT , 1/10/15
- Land title for Palm Oil Mill was not sighted although the mill is located within the Country Lease (CL) 245352587 dated 11 January 1985

OBSERVATION 01

- Weighbridge calibration 2 No. Serial : 120950376 , 60 MT, 4/2/15
- Weighbridge Calibration 1 No. Serial 044340164 , 60 MT , 29/9/14
- Certificate of Fitness for Sterilizer (Baturong POM), Softener Vessel, Steriliser , Vacuum Tank , Steam Seperator were sighted and were valid
- To comply with the presence of a competent operator at BPOM for the effluent treatment pond , pollution monitoring equipment as well as the personnel to manage the Scheduled Waste as required by Seksyen 49A, environment quality Act 1974, BPOM plans to send the mill manager, Mr Kesavan M for the coming qualification training and based on the EIMAS (Environmnet Institute of Malaysia) training schedule in August 2015 .a copy of the tax invoice No: SI-00000140 was submitted as evidence of Mr Kesavan Manohar's application .
- The following are the list of names and their valid competency for authorised entrant and standby person for confined space (AESP) , Authorised Gas Tester (AGT) , *Engine (Injin)Pembakaran Dalam (IPD)* :

Name of employee	Position	Qualification
Kesavan Manohar	Mill Manager	Steam Engineer Grade 2
Rajesh P Rodricks	Asst Mill Manager	Steam Engineer Grade 2
Yusop Suding	Mill supervisor	AGT and AESP
Rusli Karim	Engine Driver	IPD 2
Madsabri Alalguring	Boilerman	Boilerman grade 1, AESP, IPD 1
Sudirman Samang	Boilerman	Boilerman Grade 2, AGT,AESP
Clarens Ola	Lab Supervisor	AGT,AESP
Fandy Salim	mandor	AGT,AESP
Mohd Rodzi	electric chargeman	AI (<i>System Voltan Rendah</i>)
Arnolus Simon	Lab	AESP

- MPOB licence 502215302000 (01 December 2014 to 30 November 2015) for selling and transporting of FFB for Baturong 1,2,3 Estate

- Maps and Land title for Baturong 1,2 & 3 are as follows:

BTRG 1	BTRG 2	BTRG 3	Total
CL 245352587: 507.08 ha	CL 245352596 : 385.98 ha	CL 245352596: 625.02 ha	
CL 245361933: 2485.79 ha	CL 245361933 : 2048.54 ha	CL 245361933 : 1082.67 ha	
		CL 245352587: 348.52 ha	
2992.87 ha	2434.52 ha	2056.21 ha	7,483.63

	<p>BTRG 2 also comply to permits and licences required such as</p> <p>According to the record, the land title no. Country Lease (CL) has been amended to Country Lease (CL) 245361933 (dated 23 February 1997) in view of the exclusion of historical site in Block 92A of Baturong 1 Estate that was surrender back to the state government to be gazetted as historical site. The state government has compensate the company with a sum of amount that has been agreed by the company</p> <p>Information from the previous audit:</p> <ul style="list-style-type: none"> • Land title for Cantawan Estate is available as follows: <ul style="list-style-type: none"> ➤ Country Lease (CL) 115350822 dated 6 January 1982, amended 23 May 1987; ➤ Country Lease (CL) 115350797 dated 26 March 1980, amended 14 May 1998; ➤ Country Lease (CL) 115350813 dated 26 March 1980, amended 14 May 1998; ➤ Country Lease (CL) 115350804 dated 26 March 1980, amended 14 May 1998; ➤ Country Lease (CL) 115314988 dated 23 October 1962, amended 2 February 1987; ➤ Country Lease (CL) 115347861 dated 4 January 1982, amended 13 March 1985; ➤ Country Lease (CL) 115359585 dated 13 December 1982; ➤ Country Lease (CL) 115338782 dated 8 February 1980, amended 8 November 1986; ➤ Country Lease (CL) 115350779 dated 26 March 1980, amended 14 May 1998; ➤ Country Lease (CL) 115350788 dated 26 March 1980, amended 14 May 1998; ➤ Country Lease (CL) 115315243 dated 4 October 1963, amended 2 February 1985; ➤ Country Lease (CL) 115314924 dated 23 October 1962, amended 2 February 1985; ➤ Country Lease (CL) 115314997 dated 23 October 1962, amended 2 February 1985; ➤ Country Lease (CL) 115314933 dated 23 October 1962, amended 2 February 1985; ➤ Country Lease (CL) 115338782 dated 8 February 1980, amended 8 November 1986; and ➤ Country Lease (CL) 115347861 dated 4 January 1982, amended 13 March 1985. 				
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.			<i>Minor</i>	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>At BPOM , the RSPO clerk , Ms Anita Jose Rulloda is responsible for managing the legal documents.</p> <p>Documented system including written information on legal requirements is available.</p> <p>It included the following :</p> <ul style="list-style-type: none"> a) Federal Laws b) State laws c) International Laws ., convention and Standards d) Guidelines , Code of conduct / practice and other standard <p>Observed that the list of laws highlighted within the standard are kept within the file : Statutes-Lab Ordinance, OSHA,FMA,EQA and Oil Palm Grading Manual' file that was recently reviewed on 16/5/15.</p> <p>At estate , the manager is responsible for the legal compliance assisted by their administrative team.</p>				
2.1.3	A mechanism for ensuring compliance shall be implemented.			<i>Minor</i>	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	As described above the mechanism of tracking the changes of laws is contained in the IOI File No. 5. The person/team responsible for monitoring the changes and communicating it to the group remains the 'Sustainability Team' who carry out internal audit for each estate and mill				

	Each estate updates the list of relevant laws and regulations that are required to maintain various legal permits									
2.1.4	A system for tracking any changes in the law shall be implemented.	<i>Minor</i>								
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>									
Objective evidence:	<p>In the RSPO supply chain management organization chart for BPOM 2015, Ms Anita Jose R is responsible for the maintenance and updating of all legal matters</p> <p>Currently, the person/team responsible for monitoring the changes and communicating it to the Group remains the 'Sustainability Team' who carry out internal audit for each estate and mill. In practice the team will conduct the following task:</p> <ul style="list-style-type: none"> • To evaluate the effect of change of laws; • To assess current practices and suggest changes to be submitted to Senior Management (Group Plantation Director & Assistant General Manager) <p>Each estate updates the list of relevant laws and regulations that are required to maintain various legal permits.</p> <p>As in 2.1.2, the estate manager is responsible for maintenance and updating of all legal matters</p>									
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.										
2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.	<i>Major</i>								
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/>									
Objective evidence:	<p>Based on the land title / country lease, it is stated the land is for cultivation of agricultural crop such as Palm Oil, Cocoa and/or any agricultural crops of economic value.</p> <p>Following to the last audit, the company presented the amended land title. The land title no. CL 245361933 that has been established on 23 February 1997 with a total area of 5,617 ha taking into consideration of the exclusion of historical site.</p>									
2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.	<i>Minor</i>								
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>									
Objective evidence:	<p>During the visit to BTRG 3, the physical boundary marker bordering their estate in field 93G with the neighbouring estate QL Estate was sighted and the coordinate recorded N 4° 47' 11.39" E 118° 1' 32.08"</p> <p>At BTRG 2 the following boundary stones are available :</p> <p>a) N 4° 47' 17.11" E 117° 59' 19.24"</p> <p>b) N 4° 47' 8.28" E 117° 59' 23.31"</p> <p>c) N 4° 46' 52.82" E 117° 59' 12.41"</p> <p>Visit also show that the estate respectively have adequately maintained boundary stones</p> <p>No land issues with their neighbouring estate.</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 40%;">Neighbouring estate/ farms</th> </tr> </thead> <tbody> <tr> <td>BTRG 2</td> <td>Sime Darby , Plus Bumimas , Lembaga Koko</td> </tr> <tr> <td>BTRG 3</td> <td>QL Estate, Sinar Jaya,</td> </tr> <tr> <td>BTRG 1</td> <td>Yuwang</td> </tr> </tbody> </table>			Neighbouring estate/ farms	BTRG 2	Sime Darby , Plus Bumimas , Lembaga Koko	BTRG 3	QL Estate, Sinar Jaya,	BTRG 1	Yuwang
	Neighbouring estate/ farms									
BTRG 2	Sime Darby , Plus Bumimas , Lembaga Koko									
BTRG 3	QL Estate, Sinar Jaya,									
BTRG 1	Yuwang									
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and	<i>Minor</i>								

	occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).	
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The Baturong Group (Lahad Datu Region) does not have any land disputes since the last certification.</p> <p>A system to resolve land disputes is documented in 'Grievance Procedure for Land Owner Issues' which is detailed in the Social Impact Assessment management and action plan for estates and mill.</p>	
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Since the last certification there are no claims on legal or customary rights exist for the estate.</p> <p>Customary use of land for community purposes have been identified either on maps (places of worship, burial grounds, and archaeological site) are maintained.</p>	
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighboring communities and relevant authorities where applicable).	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Customary use of land for community purposes have been identified either on maps (places of worship, burial grounds, and archaeological site) are maintained.</p> <p>Currently, there are no claims on legal or customary rights exist for the estates</p>	
2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>There are no evidence that the oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Interview with workers and mandores reveal that no such issue occurs.</p> <p>In fact due to the recent kidnapping and robbery happening within the Lahad-Datu region, the Baturong Grouping Estate and Mill has increased the security presence in the form of auxillary police to protect the workers and staff from unwanted incidences.</p> <p>All visitors are to report at the guardhouse and during the audit , due to the security reasons, the management recommended the auditors to stay overnight in Lahad Datu instead of putting up in their Baturong guest house.</p>	
Criterion 2.3: Use of the land for oil palm does not diminish the legal, customary or users rights of other users without their free, prior and informed consent.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Currently, there are no claims on legal or customary rights exist for the estates.</p> <p>Customary use of land for community purposes have been identified either on maps (places of worship, burial grounds, and archaeological site) and are maintained.</p>	
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available.	<i>Minor</i>

Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Currently, there are no claims on legal or customary rights exist for the estate.	
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Information like maps , agreement, impact assessment are available where it can be shared publicly are available and accessible on the IOI website as well as in the estate an mill office are documented and available in languages understood to affected parties like neighbouring esates.	
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>There are no land issues with the neighbouring communities.</p> <p>Within the estate , in BTRG 2, all the workers are Indonesians and they have been represented in the meetings by their elected representative, Iskandar Lamano, Security</p> <p>And for the gender / women, they are represented by a gender committee headed by Puan Sitti Lahamid</p>	

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

	<ul style="list-style-type: none"> Estimate Cost to Maturity – Budget year 2015/16and 					
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.				Minor	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>	
Objective evidence:	Replanting Programme is captured within the 5 year Management Plan that indicates the scheduled replanting programme.					
	Details of Replanting Programme for the supplying estates are as follows:					
	Estate	2014/15	2015/16	2016/2017	2017/2018	2018/2019
	Baturong 1	268	401	387	387	-
	Baturong 2	-	311	386	236	399
	Baturong 3	218	144	153	173	175
	Cantawan	201	143	140	151	118
Total	687	999	1066	947	962	

Principle 4: Use of Appropriate Best Practices by Growers and Millers					
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.					
4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.				Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	The Group Standard Operating Procedures (StOPs) and Safe Operating Procedures (SaOPs) are maintained. Procedures exist for all operations in the estates and mill .				
	<p>The StOPs and SaOPs reflect best industry practices as stated in IOI's agricultural policy document.</p> <p>StOPs for Estates specifies the following procedures:</p> <ul style="list-style-type: none"> Inspecting and Maintaining Oil Traps; Planting Leguminous Cover Plant; Pruning; Land Preparation for New Planting and Replanting; Road Maintenance; Manual Fertilizer Application for Immature and Mature Palm; Weeding; <p>SaOPs for estates specifies the safety procedures for the following activities:</p> <ul style="list-style-type: none"> Harvesting; Application of buffalo for transporting FFB; Ramp and FFB grading; Handling and management of hazardous chemicals in chemical store; Safe use during chemical application i.e. pesticides application; Manuring; Driving and transportation; Workshop related works; Weighbridge; and 				

	<ul style="list-style-type: none"> • Wildlife conflicts. <p>StOP for the Mill , BPOM , specifies the following procedures:</p> <ul style="list-style-type: none"> • General regulation for POM Operations; • Receiving of FFB; • Loading Ramp • Sterilizer; • Threshing Station; • Pressing Station; • Depericarper Station; • Nut & Kernel Plant; • Oil Room Station; • Boiler Station; • Engine Room Station; • Laboratory; • Water Treatment Plant; • Shovel; • Effluent Treatment Plant; and • Workshop. • Permit to Work <p>Observed also StOPs for Supply Chain. The StOP document No: StOP/MST/001 dated 23 June 2011 specifies all relevant section within the operation of the company's supply chain system.</p> <ul style="list-style-type: none"> • General regulation for POM Operations; • Receiving of FFB; • Loading Ramp (Ch. 2) • Sterilizer; (Ch. 3) • Threshing Station; (Ch 4) • Pressing Station; (Ch 5) • Depericarper Station; (Ch. 6) • Nut & Kernel Plant; (Ch. 7) • Oil Room Station; (Ch. 8) • Boiler Station; (Ch. 9) • Engine Room Station; (Ch. 10) • Laboratory; (Ch. 11) • Water Treatment Plant; (Ch 12) • Shovel; (Ch. 13) • Effluent Treatment Plant; (Ch. 14) and • Workshop. (Ch. 15) 	
4.1.2	A mechanism to check consistent implementation of procedures shall be in place.	Minor
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective	As per 4.1.1, all the SOPs related to the operation is documented.	

evidence:	<p>As one of their responsibility, mill personnel constantly supervise the workers during their 'tour of duty' to ensure that the workers are performing their work in accordance to SOP.</p> <p>They will be corrected on site.</p> <p>In BPOM, safety inspection is conducted quarterly prior to the safety meeting to check the consistent implementation of procedures.</p> <p>Similarly for the estates, prior to the safety meeting, the safety committee will do a work place inspection for the safety implementation in all the various SOPs e.g. :</p> <ul style="list-style-type: none"> a) Spraying b) Harvesters c) Manuring d) Tractor Driver e) Buffer zone and Bridges f) Waste Disposal g) Line site / Housing Area h) Creche i) Diesel Skid tank j) Pre-mix Area k) Chemical, Fertiliser Lubricant store l) Workshop, etc <p>In BTRG 2, the latest was conducted on 10/7/15</p> <p>For the estate, a checklist, 'Fertiliser Observation Sheet' will be filled by a personnel from the Research Centre, during their yearly monitoring for fertiliser application as a mechanism of consistent implementation of procedures</p> <p>The last fertiliser inspection record show that on 12/9/14 a visit was conducted. as for BTRG 2, the last fertiliser inspection was conducted on 10/7/14</p>				
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.				Minor
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>Records of monitoring and actions taken are maintained.</p> <p>At BPOM, the report '<i>Laporan Pemeriksaan Tempat Kerja oleh JKK</i>' is used to check consistent implementation of procedures. The various stations checked are :</p> <ul style="list-style-type: none"> a) Loading Ramp b) Steriliser station c) Threshing d) Pressing Kernel Plant e) Clarification f) Boiler g) Engine h) Genset i) Oil Store j) Water treatment k) ERP l) Toilet m) Chemical store workshop n) Diesel Tank o) Contractor 				

	<p>p) Lab</p> <p>q) Signages</p> <p>r) Creche</p> <p>s) Housing office Guardhouse</p> <p>Records of the daily logsheets e.g Boiler Operation monitoring are also sighted .</p> <p>Similarly at BTRG 3, the report '<i>Laporan Pemeriksaan Tempat Kerja oleh JKK</i>' is used to check consistent implementation of procedures .</p> <p>The 'Daily vehicle inspection checklist' is done for all the vehicles daily to monitor the maintenance of each vehicle or tractor.</p>	
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).	Major
Findings	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
Objective evidence:	N/A as the Mill do not receive or process third party sources.	
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.	Minor
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Evidence of good agricultural practices sighted in their SOP to manage and maintain soil fertility. Documented evidences in terms of reports as well as practices sighted in the field visit . For example :</p> <ul style="list-style-type: none"> • Estates undergo annual foliar and periodic soil analysis • Yearly agronomic visit by the IOI Research Sabah agronomist to provide agronomic and fertilizer recommendation • Terrace construction along slopes • Spraying of weeds confined to circles and unwanted and noxious weeds. Avoid bare ground and spraying only on palm circles as well as on problematic weeds • Topographical map available to identify slope areas • SOP for manuring of immature and mature palms, EFB application and POME application • Pruned fronds stacked back into the field • Soil maps 	
4.2.2	Records of fertiliser inputs shall be maintained.	Minor
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Records of fertiliser inputs are maintained in the 'Costing Book for Manuring'</p> <p>Records of fertiliser application ad program are linked to the agronomist recommendation</p> <p>Today at BT3 , based on the fertiliser recommendation file , for Field 93G2, the fertiliser mixture NK was recommended at 3.5 kg per palm but due to the change in the NK formulation by the supplier , the dosage was adjusted to 3.15 kg per palm . This change in application dosage was sighted during field visit when the manurers were interviewed.</p> <p>In the Costing Book, the following is a sample of records of fertiliser inputs and costing are maintained and sighted</p> <p>Date of application : 3/7/15</p> <p>Field: 93F6</p> <p>Ha: 44 ha</p>	

	<p>Fertiliser used: NK Mix 12.6/24</p> <p>Quantity per palm: 3.5 kg / palm</p> <p>Bags applied: 148 x 50kg bags</p> <p>Method of application: Manual using a bowl calibrated by the estate personnel. Frond heap.</p> <p>No. of workers: 9 (mandays)</p> <p>Total Costing : RM 428.33 / ha</p> <p>Based on the report , Oil Palm Fertiliser Recommendation Report for the Year 2015 was sighted:</p> <p>The following table is the recommendation for Field 93G. Due to a delay in fertiliser supply, the estate is applying the May application in July 2015.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Fertiliser</th> <th>Kg/palm</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>NK Mix</td> <td>3.0 kg</td> </tr> <tr> <td>Apr</td> <td>AS</td> <td>0 kg</td> </tr> <tr> <td>May</td> <td>NK Mix</td> <td>3.5 kg</td> </tr> <tr> <td>Jul</td> <td>Borate</td> <td>0.15 kg</td> </tr> <tr> <td>Jul</td> <td>Kie</td> <td>0 kg</td> </tr> <tr> <td>Aug</td> <td>NK Mix</td> <td>2 kg</td> </tr> <tr> <td>Sept</td> <td>RP</td> <td>1.50 kg</td> </tr> </tbody> </table> <p>Similar records are sighted at BTRG 2. As per the recommendation for C92D, NK Mix at 3.5 kg was seen applied on the frond heap by the manurers today. The fertiliser was supplied late and as a result the application scheduled in Feb 2015 was only applied in July 2015.</p>				Month	Fertiliser	Kg/palm	Jan	NK Mix	3.0 kg	Apr	AS	0 kg	May	NK Mix	3.5 kg	Jul	Borate	0.15 kg	Jul	Kie	0 kg	Aug	NK Mix	2 kg	Sept	RP	1.50 kg
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4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.			Minor																								
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Objective evidence:	<p>The foliar sampling was carried out in Jul 2014 in both BTRG 2 and 3. Based on the report, 37 fields were sampled. Foliar sample analysis is done annually.</p> <p>Leaf levels of N, P, K, Mg, Ca and Boron were analysed .</p> <p>The analysis will be used for the fertiliser program. The Oil Palm Recommendation Report for Year 2015 for BTRG 3 was sighted. It was done by the IOI Plantation Bhd Research Centre Sabah Agronomist, Mr Wanorhessam Open .</p> <p>The last soil sampling was conducted in Jan 2011 in BTRG 3 and Feb 2013 for BTRG 2</p> <p>Both soil from the frond heap(FH) and inter-rows(IR) were sampled at 0 – 15cm and 15-45 cm depth</p> <p>Based on the records for field 93A, the Org. C% levels are 0.79 % and 0.67% for the 0 – 15cm and 15 – 45cm depth respectively.</p> <p>In BTRG 2, Based on the records for field 92A, the Org. C% levels are 0.67 % and 0.71% for the 0 – 15cm and 15 – 45cm depth respectively.</p> <p>Other parameters analysed were pH, N, P, K, Mg, CEC etc.</p>																											
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues.			Minor																								
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In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>																								

Objective evidence:	<p>As part of the nutrient recycling strategy, Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues are applied back into the fields depending on the location and distance of the estate from the mill</p> <p>The POME is applied as land application in BTRG 1 as the mill is within the estate whereas EFB is distributed to the various estates.</p> <p>In their SOP, the use of EFB as a mulching material is documented ' SOP for EFB Mulching 8.6.</p> <p>The nutrient recycling strategy include the use of EFB mulching to :</p> <ul style="list-style-type: none"> a) improve the palm growth and oil yield per area b) conserve moisture and soil c) to improve the organic matter levels of the soil <p>EFB application is applied to all fields regardless of soil type. Rates of application is recommended at 40 MT / ha . the rate will be double on sandy soils. Even distribution application is ensured so that the EFB are not heap during application to avoid being a source of breeding ground for rhinoceros beetle.</p> <p>In the EFB record of BTRG 3, application record show that in June 2015 , BT3 received 261.81 MT and in field 93I received 21.21 MT</p> <p>Records of delivery are also kept .</p> <p>In BTRG 2, maps where EFB is applied is sighted. In the map, applied areas are highlighted and the quantity and hectareage applied is documented.</p>																								
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	<p>Pruned fronds are placed back into the field along the frond rows as part of the nutrient recycling strategy. Fertiliser application normally will be placed on the frond heap to minimise fertiliser run-off.</p> <p>At BPOM, records where EFB and POME application is documented and be made available during the audit. EFB received and records are kept in the EFB Application Record Book.</p> <p>In the files , both monthly amount delivered to the estate are recorded and in the estate record, application to the field that they are applied is recorded .</p> <p>On POME, records are found to be kept in the Baturong POM in the POME Application record file.</p> <p>All records are kept on a monthly basis. The following are the records reported during the last few months:</p>																								
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Criterion 4.3: Practices minimize and control erosion and degradation of soils.																									
4.3.1	Maps of any fragile/marginal soils shall be available.			Major																					
Findings	In compliance:	Yes:	x	No:																					
Objective evidence:	<p>Both Reconnaissance Soil map 1:45,000 and semi-detailed soil was sighted and it show the following soil association. No peat soils are found or other fragile soils were reported.</p>																								
	BT3 (Reconnaissance)		BT2 ((Reconnaissance)																						
	Gumpal		Gumpal																						
	Kretam		Kretam																						

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4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP.	Minor																		
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																			
Objective evidence:	<p>The StOP for Land Preparation for new planting and replanting (reviewed July 2011) Index No: 4.2 is referred for management strategy for plantings on slopes .</p> <p>In section 5.0 under terracing guidance is provided for :</p> <ul style="list-style-type: none"> a) Construction of water conservation terraces b) Construction of terraces c) Construction of platform for planting <p>According to the SPO team, Baturong Group will abide with the national law concerning no planting on areas > 25°</p> <p>The area that is >25° in BTRG 2 is identified in the map titled 'Slope Map ' where areas > 25° is highlighted . Ref: <i>Topography map Siri 7738 sheet 8124</i> found in the EIA report.</p> <p>SOP to ensure minimising erosion is available in the various operational SOP such as land development, weeding , terracing etc</p>																			
4.3.3	A road maintenance programme shall be in place.	Minor																		
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																			
Objective evidence:	<p>In each estate , a road maintenance programme is in place with supporting budget and resources</p> <p>In the expenditure account till June 2015, the following was recorded in the budget-expenditure file :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">BTRG 3</th> <th style="width: 25%;">Estimate (RM)</th> <th style="width: 25%;">Till June 2015 (RM)</th> </tr> </thead> <tbody> <tr> <td>Code PM 07- Roads - Grading , Resurfacing, Roadside and Cross Drains, Pruning Overhanging branches</td> <td style="text-align: center;">294,530</td> <td style="text-align: center;">334,084</td> </tr> <tr> <td>Code PM 10 – Bridges and Culverts</td> <td style="text-align: center;">15,002</td> <td style="text-align: center;">25,760</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">BTRG 2</th> <th style="width: 25%;">Estimate (RM)</th> <th style="width: 25%;">Till June 2015 (RM)</th> </tr> </thead> <tbody> <tr> <td>Code PM 07- Roads - Grading , Resurfacing, Roadside and Cross Drains, Pruning Overhanging branches</td> <td style="text-align: center;">383,300</td> <td style="text-align: center;">250,000</td> </tr> <tr> <td>Code PM 10 – Bridges and Culverts</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">27,000</td> </tr> </tbody> </table>		BTRG 3	Estimate (RM)	Till June 2015 (RM)	Code PM 07- Roads - Grading , Resurfacing, Roadside and Cross Drains, Pruning Overhanging branches	294,530	334,084	Code PM 10 – Bridges and Culverts	15,002	25,760	BTRG 2	Estimate (RM)	Till June 2015 (RM)	Code PM 07- Roads - Grading , Resurfacing, Roadside and Cross Drains, Pruning Overhanging branches	383,300	250,000	Code PM 10 – Bridges and Culverts	40,000	27,000
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4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.	Major																		
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																			
Objective evidence:	<p>Based on the soil maps, interview with the management and field visit , it was concluded that there are no peat soils in the Baturong Grouping Estates .</p> <p>This was also indicated in the previous certification reports.</p>																			
4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.	Minor																		
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																			
Objective	Based on the soil maps, interview with the management and field visit , it was concluded that there																			

evidence:	are no peat soils in the Baturong Grouping Estates Nevertheless drains will be dug on flood prone areas prior to replanting								
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils).			Minor					
Findings	In compliance:	Yes:	x	No:					
Objective evidence:	Based on the soil maps, interview with the management and field visit , it was concluded that there are no peat or acid sulphate soils in the Baturong Grouping Estates.								
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.									
4.4.1	An implemented water management plan shall be in place.			Minor					
Findings	In compliance:	Yes:	x	No:					
Objective evidence:	<p>Water Management Plan and Management Action Plans for Baturong Grouping (covering both Mill and Estates) was reviewed on 1st June 2015 . it specified the following:</p> <ol style="list-style-type: none"> 1. Introduction; 2. Water Management Plan Team members 3. Operating Units; <ul style="list-style-type: none"> - Identification of Physical System for Water Management; 4. Water Management Plan for BPOM; <ol style="list-style-type: none"> 4.1 Abstraction of water for FFB milling and domestic use; 4.2 Water storage and use for FFB Processing and Domestic Purpose; <ul style="list-style-type: none"> - Water Treatment; - Raw water treatment plant; - Domestic water treatment plant; - Monitoring; - Water consumption monitoring; 4.3 Waste water treatment and discharge management; <ul style="list-style-type: none"> - Surface runoff of sediments from the mill - Ramp and marshalling Yard , Waste water from Boiler Ash, shell and Fibre - WQI of the river passing near oil mill 4.4 Palm Oil Mill Effluent (POME) 5. Water Management Plans for Estates; <p style="margin-left: 20px;">Soil Moisture Conservation Programme:</p> <ul style="list-style-type: none"> - Pruned Fronds; EFB mulching, Fibre, Moisture Conservation of the hill and rolling terrains planting, Oil palm planting terraces, Flat alluvial land - Buffer zone of stream and rivers - Nursery - Water for domestic use - Sewage and septic tank - Workshop, lubricant store - Water use for agrochemical use <p>Monthly water usage for each estate and mill is captured in the water management plan.</p> <p>The following is the annual water usage based on flow-meter as well the number of water –tanker trips sent from the oil mill (especially to BTRG 2) :</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 30%;"></td> <td style="width: 15%;">BPOM & BTE 1</td> <td style="width: 15%;">BTE 2</td> <td style="width: 15%;">BTE 3</td> <td style="width: 25%;">Cantawan</td> </tr> </table>					BPOM & BTE 1	BTE 2	BTE 3	Cantawan
	BPOM & BTE 1	BTE 2	BTE 3	Cantawan					

	Water source	River	From BPOM	Spring water	Water catchment (natural water source)
	Jul '14 – Jun'15	133,117,100 lit	5,809,600 lit	4,232,330 lit	12,438,000
	<p>Water and electricity are some of the basic amenities provided free to the workers and staff of the estate and mill</p> <p>Result of the water analysis done on 22/4/15 of the treated water sampled by the local authorities, <i>Unit Kawalan Mutu Air Minum (Pejabat Kesihatan Daerah Kunak)</i> is available for both BTRG 2 and BTRG 3 were sighted.</p> <p>Parameters tested were chlorine residue , pH, turbidity, TDS, Total Coliform and Fecal Coliform. All parameters were below the threshold level specified Guidelines for Drinking Water Quality of WHO except for the turbidity which was higher (8.89 NTU) as compared to the WHO level of 5 NTU at BTRG 3.</p> <p>This was mentioned during the review on 16/7/15 and the estate management has identified plans to replace or install new set of filter or to rearrange the piping. Quotation from 2 suppliers is awaiting approval from the top management</p> <p>Besides the above, at BPOM, the treated water sampling analysis that is conducted by the external lab (Permulab Sdn Bhd) on 19/3/15 who will then submit for analysis .</p> <p>Buffer zone is being established to protect watercourses. Manurers and spray operators interviewed are aware of the marked buffer-zone.</p>				
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.				Major
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>·</p> <p>During the field visit in BTRG 3 riparian and buffer zone sites at 93I, 93 G were visited and were found to be maintained . . Palms along the identified buffer zones are marked with red paint to inform sprayers and manurers on prohibition of spraying or application of fertiliser in the buffer zones.</p> <p>Similar markings were found in BTRG 2 where riparian markings were sighted at C92K and abided by both spray operators and manurers.</p> <p>Observed also in the same areas that there were no incidences of spraying along and within the buffer zone.</p> <p>Wastewater of BPOM is not discharged into waterways as it is applied as land irrigation/application</p> <p>·</p>				
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6).				Minor
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>BPOM has a permit to process 30 TPH of FFB and has the DOE license for the discharge of POME for land irrigation application and the result show that the mill is in compliant to the requirements of the license</p> <p>The specification approved by DOE are :</p> <ul style="list-style-type: none"> a) BOD 100 mg/lit b) TSS <400 mg/l c) O&G <50mg/l d) Ammoniacal – N <150 mg/l e) pH >5 and < 9 f) TN < 200 mg/l g) Temp < 45°C 				

Based on the latest submission (20/7/15) of form AS.4 for the period Apr-June 2015, the parameters were within the permitted level except for TSS for the month of April .

The following is the ponding system at the BPOM wastewater treatment plant.

Pond No.	Type and Function of Ponds	Retention time (days)
1	Deoiling Pond	11
2	Cooling Pond	20
1A	An Pond	23
1B	An Pond	23
2A	An Pond	23
2B	An Pond	23
1	Aerobic Pond	28
2	Aerated Pond	29
3	Polishing Pond	17

The Mill uses Geotube Continual Desludging system . The effluent from An Pond 2B will be pumped into the Geotube to remove solids and the effluent that comes out will be pumped back to An Pond 2B which eventually flow into the following ponds.

At the polishing pond the POME/ discharge is then pump to the trenches in BTRG 1.

Based on the DOE Licence 004514 (1/7/15 – 30/6/16) for Alurair (Pengairan Ladang) the wastewater will be treated in a series of pond as per the plan, “ Palm Oil Mill Layout Plan, No. Pelan B/EF 1 dated July 1994 and the effluent will be applied as land application (Alurair (Pengairan Ladang) according to the plan, Location Map, Detail Map, Typical Trench Section’,No. *Pelan:Mill/BPOM/L1/07-5001* dated Aug 2007.

The irrigation trenches are located in BTRG 1. As of today, application is applied in Div 2008, Blk E-42 ha and Div 2008, Blk C-31 ha.

Based on the Licence the BOD 3 days , 30° C should not exceed 100 mg/l

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

	June '15	May '15	Apr '15	Mar '15	Feb '15	Jan'15	Dec'14	Nov '14	Oct '14
BOD	22.7	48	54	30.2	60.7	65.4	58.9	53.60	50.7

4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.	Minor
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Findings	In compliance:	Yes:	x	No:	
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BPOM I water use per tonne of Fresh Fruit Bunches (FFB) are monitored.

2015 Month	Mill Process (include process & Boiler) M ³	Process(MT / FFB)	M ³ / MT FFB Processed	Domestic M ³
January	21,920.00	15,967.08	1.37	10,909.30
February	17,941.90	13,115.58	1.37	9,231.50
March	20,239.00	14,540.34	1.39	11,053.70
April	21,429.30	15,567.28	1.38	11,069.20
May	33,180.80	16,458.93	2.02*	10,278.30
June	28,661.90	14,906.57	1.92**	10,685.90

*May : Cleaning on Storage tank (Tank 5)

** June : Cleaning for JKPP Inspection

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.														
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored.				Major									
Findings	In compliance:	Yes:	x	No:										
Objective evidence:	<p>The estates has the following documented SOP for the implementation of IPM that identifies the potential pest and its thresholds such as :</p> <p><i>Document No: 10.0 Pest and Disease (Integrated Pest Management) of</i></p> <ul style="list-style-type: none"> - rat control - bagworm and nettle caterpillar - rhinoceros beetle - bunch moth, valanga, bunch moth, Termite, elephant, porcupine, orang utan control, - Integrated Ganoderma control <p>In all the individual pest SOP, they have identified techniques used (cultural, biological, mechanical and physical methods</p> <p>In each of the document they have a flow chart ‘ Integrated Pest management for the various pest’ that involves</p> <ol style="list-style-type: none"> a) Step 1 : Detection b) Step 2: Enumeration , pest census stage of pest c) Step 3: Manager/executive to make decision based on census d) Step 4; Intervention e) Census <p>BTRG 3 the ‘bunch checker’ will daily do census for rat and will fill up the ‘<i>Senarai Laporan Penuaian Kualiti Buah</i>’ . When the fresh rat damage is > 5% , the management will be informed and baiting will commence where rat baits will be applied . However records in July 2015, show that damage detected was less than 1%.</p> <p>Although they have not had leaf eating incidences for past few years , planting of beneficial plants like <i>Turnera sp.</i>, <i>Antigonon sp.</i> and <i>Cassia sp</i> is ongoing sighted in BTRG 3 as part of the programme to encourage population of predatory insects of leaf-eating caterpillars.</p> <p>Planting were sighted along the roads during the audit visit. Maps of the different beneficial plants planted were sighted</p> <p>However, in the immature, the use of pheromone trap ceased as it attracted rhinoceros beetles into their estate. Biweekly prophylactic spray of cypermethrin had to be conducted to protect the immature palms from being damaged by rhinoceros beetles until the palm are matured.</p> <p>Records of application is recorded in the Pesticide Costing Book</p>													
4.5.2	Training of those involved in IPM implementation shall be demonstrated.				Minor									
Findings	In compliance:	Yes:	X	No:										
Objective evidence:	<p>Training records of those involved in the implementation of IPM is minimal due to the fact that incidences of pest attack have been low for the past few years.</p> <p>The following is the only ‘training’ record sighted :</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 20%;">Estate</th> <th style="width: 20%;">Date</th> <th style="width: 60%;">Training</th> </tr> </thead> <tbody> <tr> <td>BTRG 3</td> <td>1/7/15</td> <td>Beneficial plant propagation & planting training</td> </tr> <tr> <td>BTRG 2</td> <td>24/7/15</td> <td>Beneficial plant propagation & planting training</td> </tr> </tbody> </table> <p>Some IPM implementation like planting of beneficial plants do not need ‘training’ . Records of plantings were recorded in maps and in the ‘Beneficial Plant Planting Programme.</p>					Estate	Date	Training	BTRG 3	1/7/15	Beneficial plant propagation & planting training	BTRG 2	24/7/15	Beneficial plant propagation & planting training
Estate	Date	Training												
BTRG 3	1/7/15	Beneficial plant propagation & planting training												
BTRG 2	24/7/15	Beneficial plant propagation & planting training												

Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.																																																												
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.					Major																																																						
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																																																											
Objective evidence:	<p>A list for the justification of a.i of the various chemical used in the estate is sighted that include the following :</p> <ul style="list-style-type: none"> a) Glyphosate b) 2-4 D Amine c) Metsulfuron methyl d) Triclopyr butoxy e) Glufosinate ammonium f) Cypermethrin <p>The estates has SOP or SaOP or safe operating procedure on the safe use of chemicals</p> <p>In their SOP, the estates SOPs have identified the selective products that are specific to target pests or weeds, which have minimal effect on non-target species</p>																																																											
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.					Major																																																						
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																																																											
Objective evidence:	<p>Summary of pesticide/ weedicide usage a.i kg/ha for the last 5 years was sighted . All pesticides are monitored . The following are some of the herbicides being monitored at BTRG 3</p> <p>The record details the individual active ingredient , area treated, quaity of the product in kg. lits or grammes and the amount of active ingredient applied per ha is recorded</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 20%;">Product</th> <th style="width: 15%;">Jul 10'- Jun '11</th> <th style="width: 15%;">Jul 11'- Jun '12</th> <th style="width: 15%;">Jul 12'- Jun '13</th> <th style="width: 15%;">Jul 13'- Jun '14</th> <th style="width: 15%;">Jul 14'- Jun '15</th> </tr> </thead> <tbody> <tr> <td>BTRG 3</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Metsulfuron a.i g/ha</td> <td style="text-align: center;">6.84</td> <td style="text-align: center;">10.43</td> <td style="text-align: center;">9.04</td> <td style="text-align: center;">5.17</td> <td style="text-align: center;">6.92</td> </tr> <tr> <td>Glyphosate a.i lit/ ha</td> <td style="text-align: center;">0.86</td> <td style="text-align: center;">1.11</td> <td style="text-align: center;">0.84</td> <td style="text-align: center;">1.74</td> <td style="text-align: center;">1.07</td> </tr> <tr> <td>Triclopyr a.i lit/ ha</td> <td style="text-align: center;">0.0093</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0.022</td> <td style="text-align: center;">0.0043</td> </tr> <tr> <td>BTRG 2</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Metsulfuron a.i g/ha</td> <td style="text-align: center;">1.20</td> <td style="text-align: center;">1.74</td> <td style="text-align: center;">16.79</td> <td style="text-align: center;">23.47</td> <td style="text-align: center;">26.91</td> </tr> <tr> <td>Glyphosate a.i lit/ ha</td> <td style="text-align: center;">1.18</td> <td style="text-align: center;">1.11</td> <td style="text-align: center;">0.77</td> <td style="text-align: center;">0.97</td> <td style="text-align: center;">1.31</td> </tr> <tr> <td>Triclopyr a.i lit/ ha</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0.0001</td> <td style="text-align: center;">0.0142</td> <td style="text-align: center;">0.008</td> </tr> </tbody> </table> <p>LD 50 for each of the product used was also included in the table.</p> <p>Records of pesticides use are available in the field staff costing book. The following is an extract from the book:</p> <ul style="list-style-type: none"> a) Date: 21/7/15 b) Field : 93F c) Ha: 49 ha 						Product	Jul 10'- Jun '11	Jul 11'- Jun '12	Jul 12'- Jun '13	Jul 13'- Jun '14	Jul 14'- Jun '15	BTRG 3						Metsulfuron a.i g/ha	6.84	10.43	9.04	5.17	6.92	Glyphosate a.i lit/ ha	0.86	1.11	0.84	1.74	1.07	Triclopyr a.i lit/ ha	0.0093	0	0	0.022	0.0043	BTRG 2						Metsulfuron a.i g/ha	1.20	1.74	16.79	23.47	26.91	Glyphosate a.i lit/ ha	1.18	1.11	0.77	0.97	1.31	Triclopyr a.i lit/ ha	0	0	0.0001	0.0142	0.008
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	<p>d) Chemical use : Ken Glyphosate+ Kenlly</p> <p>e) Dosage: 1200 ml/ 20 lit + 800 ml/ 20 lit</p> <p>f) Spay equipment : Interpump with Nozzle vlv 32</p> <p>g) Spray volume: 32 lit</p> <p>h) Manday: 10 manday</p> <p>i) Total cost per ha : 8.68 / ha</p> <p>j) Type of spray: Strip spray</p> <p>k) Target Weed: <i>Akar ruas-ruas, lalang, itchy grass</i></p>	
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice.	Major
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>In BTRG 2, as part of weeding programme to minimise pesticide usage, field inspection is done and the Senior Assistant , Mr Matheeshwaran will decide on the spray cocktail and dosage based on the weed condition.</p> <p>Upon the analysis and identification of the field and the weeds, the appropriate programme and dosage is recommended by the field staff and the manager would approve prior to commencement.</p> <p>As for the immature, rhinoceros beetle spray in PR13 , prophylactic bi- weekly spray with cypermethrin is conducted and necessary until the palms are 24 months or earlier if census show the pest incidence is under control</p>	
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).	Minor
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Pesticide categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions are presently not used as they do not have any pest outbreaks However they will abide to their SOP under specific situations identified in industry's Best Practice.</p> <p>The estate management is aware that approval from the Agriculture authorities is required for the use of trunk injection chemical that are Class 1a and 1b such as monocrotophos or methamidophos.</p> <p>Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).</p> <p>Paraquat is not used anymore in Baturong Grouping estates since the last certification</p>	
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).	Major
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The estate management and Sustainable team members are experienced personnel in their various fields. Although some of the staff are not in the agricultural field, IOI Corporation Bhd provided training for their staff upon appointment so that they are well-verse in their responsibilities.</p> <p>The manager, Mr Kathiravan is overseeing both BTRG 1 and BTRG 2. He graduated from UKM , B.A (Hons) Political Science and has about 10 years of plantation experience joining IOI in 2008. The Snr Assistant , Mr Matheeshwaran joined IOI in 2011 graduated from USM in B.A (Finance)</p> <p>Mr Saharuddin is the Estate Cadet Asst. Manager promoted to Cadet Assistant in 2014.</p> <p>The Sabah Lahad Datu Region sustainability Team headed by Mr Agos Atan, Senior SPO has 5</p>	

years experience graduated with B.Sc (Hons) Conservation Biology from UMS. He is responsible for RSPO and ISCC certification for Lahad Datu Region and occasionally assist Sandakan Region.

Mrs Zahidah Dahlan SPO Executive joined IOI in March 2013 graduated with B.Sc (Hons) Conservation Biology from UMS.

Mrs Asmawati Arsjad , SPO Officer joined in 2013 graduated with BBA(Hons.) Marketing from UiTM.

Each mill and estate has their annual estate training programme depending on the needs of the estate.

The following are some of the training done on workers' handling, using or applying pesticides. The training is conducted normally in Bahasa Malaysia that is understood by the staff and workers.

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

Estate	Training	Date	No. of workers
BTRG3	PPE for sprayer and manurers	23/3/15	sprayers and manurers
BTRG3	Chemical store management	26/2/15	5
BTRG3	disposal of empty containers	12/2/15	chemical mixer and store clerk
BTRG3	Buffer zone	14/5/15	sprayers and manure
BTRG 2	Pre-Mix	8/7/15	5
BTRG 2	Maintenance spray pump	16/6/15	7
BTRG 2	Chemical handling and MSDS	21/4/15	7
BTRG 2	PPE	6/7/15	13
BTRG 2	SOP Sprayer	6/1/15	18
BTRG 2	triple rinse	10/3/15	4

Interview with the spray operators reveal that they understand and are aware of the hazard and risk related to the chemical used . This can be seen by the PPE that is used by the operators. They have access to clinic if adverse effect (e.g.rashes or breathing difficulties)

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

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

During the visit at BTRG 3, the spray operators were equipped with goggles, filtered mask, apron, gloves, protective boots. They were also attired with long sleeved shirt and pants to minimised chemical contact during operation.

Re-entry signage board are placed at field during application

4.6.6	Storage of all pesticides shall be according to recognized best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations.	Major
Findings	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	In BTRG 3, storage of pesticide was found to be appropriately managed. The pesticide is stored in a separate store from the fertiliser or the mineral oils (P.O.L) store.	

	<p>In the pesticide store, pesticides are placed properly separated from each other .</p> <p>Appropriate hazard, warning signs and emergency response procedure, telephone numbers e.g in case of spillage are posted at the entrance of the store.</p> <p>The store is found to be lock and key.</p> <p>Proper roofing, both natural ventilation and workable ventilation fan and lighting was found.</p> <p>The pesticides are stored properly according to their types and shelving was available.</p> <p>Measuring equipment for volume and weights, funnels for dispensing were found at the pre-mix area and found to be sufficient.</p> <p>PPE, first aid kit were sighted at a storage rack at the entrance.</p> <p>Spill kit using wood shaving in case of spills was sighted for BTRG 3 and waste rags is used in BTRG 2</p> <p>Water source , emergency shower is sighted close by .</p> <p>An area is set aside to wash and hang to dry their PPE.</p> <p>Shower area/rooms are provided for workers to clean themselves up after work.</p> <p>All empty containers are stored in separate store. They were found to be triple rinse and punctured prior to storage and disposal .</p> <p>There were no sightings of empty container in the dumpsite/landfill , line-site or indiscriminately disposed or used as flower pots or loose fruit scrapers .</p> <p>Occasionally, BTRG 3 and BTRG 2 will relabelled the 20 lit containers to use as pre-mix for their spray operation so that the product has already been diluted when it is sent to the field for weeding operation.</p>				
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts.			Minor	
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>Applications of pesticide are by proven method such as the use of knapsack sprayer.e.g Inter-pump 16 lit and their specific nozzles.</p> <p>Rates of application are as per label or adjusted by their Research or management and it will be calibrated by the staff prior to application.</p> <p>In BTRG 3, weeding is done using manual knapsack sprayer , 16 lit 'Interpump' using the adjustable black cone tip nozzle.</p> <p>Calibration of nozzles were done for the 16 units of inter-pump spray equipment . The last calibration was done on 17/12/14. The nozzle calibration is compared with the standard new nozzle @ 250ml/min.</p> <p>In BTRG 2, weeding is done using the Inter-pump knapsack sprayer using the vlv black nozzle with a spray volume of 32 lit per ha.</p>				
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.			Major	
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	No aerially spray application is done in the Baturong Estate Grouping				
4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8).			Minor	
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>As there are no associated smallholders , continual training is done for their workers.</p> <p>Evidence of continual training to enhance knowledge and skills of employees on pesticide handling are available in the training file.</p> <p>A training programme is prepared annually and in the 2015 training programme, some of the</p>				

	training include training for pesticide handling. See 4.6.5 and 4.8.2 for some of the training conducted by the estates for workers handling pesticide.																																															
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).			Minor																																												
Findings	In compliance:	Yes:	x	No:																																												
Objective evidence:	<p>Estates and mill will separate their waste as per their Environment Impact Assessment.</p> <p>Workers , workshop and staff are reminded on segregation of recyclable waste regularly.</p> <p>Scheduled wastes are stored in proper storage condition avoiding environment contamination prior to disposal. Each household is provided bins for waste and collected regularly for disposal</p> <p>Domestic waste is disposed off in a dumpsite/landfill in field e.g. F92H in BTRG 2</p> <p>Recyclable material and Scheduled waste disposal records are available. It is sighted in the file SH16- SW disposal records</p> <p>Records show the following latest disposal:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Material</th> <th>Quantity</th> <th>Collector</th> </tr> </thead> <tbody> <tr> <td>8/7/15</td> <td>Paper, plastic, copper, scrap iron ,aluminium cans</td> <td>106 kg, 1 kg, 1 kg, 5 kg, 3 kg</td> <td>Orissa Engineering , Lahad Datu</td> </tr> <tr> <td>30/6/15</td> <td>SW 305, SW 102</td> <td>1.390 MT</td> <td>Alam Segar Enterprise , Tawau</td> </tr> <tr> <td>29/6/15</td> <td>Empty chemical containers</td> <td>221 kg</td> <td>Newgates Industries , Lahad Datu</td> </tr> </tbody> </table> <p>BTRG also keep record of the frequency rubbish collection is done at the line-site.</p> <p>Record show that collection is done 2-3 times weekly and record of the domestic waste quantity dispose to the landfill is also recorded in the 'Record of Domestic sent to landfill'</p> <p>BPOM has their own individual waste disposal records;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Material</th> <th>Quantity</th> <th>Collector</th> </tr> </thead> <tbody> <tr> <td>7/7/15</td> <td>Used Paint container SW 416</td> <td>0.04 MT</td> <td>Legenda Bumimas Sdn Bhd , Tuaran</td> </tr> <tr> <td>7/7/15</td> <td>Used filter SW 410</td> <td>0.75</td> <td>Legenda Bumimas Sdn Bhd , Tuaran</td> </tr> <tr> <td>7/7/15</td> <td>Used Oil SW 306</td> <td>0.18</td> <td>Legenda Bumimas Sdn Bhd , Tuaran</td> </tr> <tr> <td>7/7/15</td> <td>empty container, SW 406</td> <td>0.28</td> <td>Legenda Bumimas Sdn Bhd , Tuaran</td> </tr> <tr> <td>7/7/15</td> <td>used electrical component SW116</td> <td>0.03</td> <td>Legenda Bumimas Sdn Bhd , Tuaran</td> </tr> <tr> <td>8/7/15</td> <td>paper, plastic, copper, scrap iron ,aluminium cans</td> <td>106 kg, 1 kg, 1 kg, 5 kg, 3 kg</td> <td>Orissa Engineering , Lahad Datu</td> </tr> </tbody> </table>				Date	Material	Quantity	Collector	8/7/15	Paper, plastic, copper, scrap iron ,aluminium cans	106 kg, 1 kg, 1 kg, 5 kg, 3 kg	Orissa Engineering , Lahad Datu	30/6/15	SW 305, SW 102	1.390 MT	Alam Segar Enterprise , Tawau	29/6/15	Empty chemical containers	221 kg	Newgates Industries , Lahad Datu	Date	Material	Quantity	Collector	7/7/15	Used Paint container SW 416	0.04 MT	Legenda Bumimas Sdn Bhd , Tuaran	7/7/15	Used filter SW 410	0.75	Legenda Bumimas Sdn Bhd , Tuaran	7/7/15	Used Oil SW 306	0.18	Legenda Bumimas Sdn Bhd , Tuaran	7/7/15	empty container, SW 406	0.28	Legenda Bumimas Sdn Bhd , Tuaran	7/7/15	used electrical component SW116	0.03	Legenda Bumimas Sdn Bhd , Tuaran	8/7/15	paper, plastic, copper, scrap iron ,aluminium cans	106 kg, 1 kg, 1 kg, 5 kg, 3 kg	Orissa Engineering , Lahad Datu
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4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.			Major																																												
Findings	In compliance:	Yes:	x	No:																																												
Objective evidence:	<p>In BTRG3 , annual medical surveillance done by Dr Ahmad Mansor Osir HQ/08/DOC/00/695, Klinik Mansor , Sandakan for the following spray operators were checked and records show that they were found to be ' fit for work' .</p> <p style="margin-left: 40px;">a) Nursia</p> <p style="margin-left: 40px;">b) Asma</p> <p style="margin-left: 40px;">c) Sarifah</p> <p>The following newly appointed spray operators were checked internally by their Hospital Assistant, Ms Jumiati to be fit for their spray work . They will be included for the annual surveillance after a year of spray application . They were trained on safe use of pesticide on the 23/3/15.</p>																																															

	<p>a) Suri</p> <p>b) Norhayati</p> <p>Cholinesterase was also tested on the above workers (a) – (c)) although they do not use any organophosphate pesticide. The levels were within the reference range 7,000 – 19,000 for the 3 workers.</p> <p>Similarly sample of spray operators at BTRG 2 were also checked as the medical surveillance done on 9/10/14. Some of the workers sampled were:</p> <p>a) Sanatang Landu</p> <p>b) Sinar Hetang</p> <p>c) Nuhu Mappewali</p> <p>As in BTRG 2, the following newly appointed spray operators were also checked internally by the Hospital Assistant, Ms Jumiati to ensure that they are fit for their spray work . They will be included for the annual surveillance after a year of spray application . They were checked on 11/3/15.</p> <p>a) Sarsani</p> <p>b) Aisyah</p>	
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.	Major
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>According to the Hospital Assistant, Ms Jumiati, all female spray operators undergo their monthly check-up to ensure that they are not pregnant or breast-feeding .</p> <p>No pesticide handling work is undertaken by pregnant or breast-feeding women</p>	
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented		
4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.	Major
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p><u>Baturong Palm Oil Mill</u></p> <p>Occupational Safety and Health Policy which signed by Dato’ Foong Lai Choong dated 01/01/2000 & <i>Polisi Keselamatan Dan Kesihatan Pekerjaan</i> signed on 04/01/08 is available. It complies with the Occupational Safety and Health Act 1994.</p> <p>The OHS policy will be briefed to workers in the mill during daily morning safety briefing and during induction training for the new recruit.</p> <p>Safety & Health Plan which prepared on 02 January 2015 has documented/recorded safety and health improvement programmes for the following ;</p> <p>a) 31 items/programmes related to Occupational Safety and Health & Regulation 1994</p> <p>b) 2 items/programmes related to Emergency Response Plan</p> <p>c) 11 items/programmes related to Inspection</p> <p>d) 2 items/programmes related to Performance & Monitoring</p> <p>e) 3 items/programmes related to Vehicle Maintenance</p> <p>f) 14 items/programmes related to Estate Training Programme</p> <p>Besides the above programme, the plan include <i>Carta Aliran Maklumat Mesyuarat JKKP</i>, Safety & Health Committee Chart 2015, Emergency Response Plan Committee 2015, Emergency Evacuation Map, etc...</p> <p><u>Baturong 3 Estate</u></p>	

Occupational Safety and Health Policy which signed by Dato' Foong Lai Choong dated 11/07/2011 was found briefed to workers in the estate during daily morning safety briefing and during induction training for the new recruit.

Safety & Health Plan & *Polisi Keselamatan & Kesihatan Pekerja* prepared on 02 July 2015 has documented/recorded safety and health improvement programmes for the following ;

- a) 17 items/programmes related to Occupational Safety and Health & Regulation 1994
- b) 2 items/programmes related to Emergency Response Plan
- c) 11 items/programmes related to Inspection
- d) 2 items/programmes related to Performance & Monitoring
- e) 2 items/programmes related to Vehicle Maintenance
- f) 19 items/programmes related to Estate Training Programme

Besides the above programme, the plan include *Carta Aliran Maklumat Mesyuarat JKKP*, Organization Chart of Emergency Response Team (ERT), Emergency Contact Number / Person, Emergency Response Plan, Emergency Exit Plan, etc...

Baturong 2 Estate

Polisi Keselamatan, Kesihatan Dan Kebajikan Pekerja signed by Dato' Foong Lai Choong dated 08/04/2004 was found briefed to workers in the estate during daily morning safety briefing and during induction training for the new recruit.



Safety & Health Plan which prepared on 02 January 2015 has documented/recorded safety and health improvement programmes for the following ;

- a) 17 items/programmes related to Occupational Safety and Health & Regulation 1994
- b) 2 items/programmes related to Emergency Response Plan
- c) 11 items/programmes related to Inspection
- d) 2 items/programmes related to Performance & Monitoring
- e) 2 items/programmes related to Vehicle Maintenance
- f) 19 items/programmes related to Estate Training Programme

Besides the above programme, the plan include *Carta Organisasi Jawatankuasa Keselamatan Dan Kesihatan Ladang Baturong 2, Senarai Orang Yang Dihubungi Sekiranya Berlaku Kecemasan*, Emergency Telephone Number, Accident Reporting, Emergency Response Plan, etc...

Safety & Health Committee for both mill and estates formed in Year 2015 and found accordance with the Safety Committee Regulation 21. Quarterly committee meeting had been carried out and recorded in HSE Committee Meeting minutes.

During field and mill visits, interviewed with workers resulted that they are aware the importance of OHS and able to share with audit team the basic OHS requirements of the organization.

Besides, fire extinguisher is found to be constantly checked and monitored to ensure that such equipment is at workable stage.

4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.					Major
Findings	In compliance:	Yes:	X	No:		
Objective	Risk assessment for both mills and estates are verified being carried out and documented in the					

evidence:	<p>record named “<i>Penaksiran Risiko</i>”. Recent review was conducted on 02/01/2015.</p> <p>All operating units within the estates and mill have fundamental understanding of hazard identification and how they are managed, such as practical risk evaluation, the use of observations to identify hazards, etc...</p> <p>Safety and Health Risk Assessment for the palm oil mill was found carried out and documented in “<i>Penaksiran Risiko</i>” (reviewed on 30/06/15) which covered activities in office, security officer post, FFB Grading, Loading Ramp, Sterilizer, Tippler, EFB Press, EFB Fibre, Empty Bunch Hopper, Threshing, Press, Oil Room, Boiler, Engine Room, Lab, Water Treatment Plant, Effluent, Diesel Tank, Weighbridge, Chemical Store, Crude Palm Oil Despatch, Shovel/Back Hoe, General Store, Scheduled Waste Store and Workshop.</p> <p>Similarly , Safety and Health Risk Assessment for the Baturong 2 & 3 estate was found carried out and documented in “<i>Penaksiran Risiko</i>” (reviewed on 02/01/15) which covered on activities in office, Harvester, Fruit Deliver (Pengangkut Buah Sawit), “Pemungghah Buah Kelapa Sawit (FFB) Di Tempat Pemungghahan (Ramp)”, “Memangkas Pelepah/Pruning”, “Pengangkutan Pekerja Ladang”, “Membancuh Racun”, “Penyembur Racun (Bahan Kimia)”, “Memotong Anak Kayu (Selective Weeding)”, “Pemungghah Baja”, “Penabur Baja”, “Pengangkut Kenderaan Baja”, “Susun Tandan Kosong”, “Penyelenggaraan Jalan”, “Penyelenggaraan Jambatan Di Bawah Jalan”, “Menggali Parit atau Longkang”, “Mengenalpasti Dan Memotong Pokok Yang Bermasalah”, “Perangkap Tikus”, “Racun Tikus (Rat Baiting)”, “Kerja-Kerja Dilaksanakan Di Bengkel”, Stor Racun Kimia”, “Stor Baja”, “Stor Minyak Pelincir”, “Tangki Minyak Diesel”, “Tempat Jana Kuasa Elektrik”, “Penyelenggaraan Jana Kuasa Elektrik”, “Rawatan Air”, “Pengangkutan Sampah”, “Humana” and “Aktiviti-Aktiviti Dilaksanakan Di Taman Asuhan Kanak-Kanak”</p> <p>Besides, all the chemicals in both mill and estates have been identified. A CHRA which comply with USECHH Regulations 2000 was found carried out accordingly. Evidences list as follow:</p> <p><u>Baturong Palm Oil Mill</u></p> <p><i>Penaksiran Risiko Kesehatan Bahan Kimia Laporan 2015</i> dated 17/02/2015 carried out by Klinik Mansor Sdn. Bhd.</p> <p><u>Baturong 3 Estate</u></p> <p>Chemical Health Risk Assessment Report 2013 carried out by Klinik Mansor Sdn. Bhd.</p> <p><u>Baturong 2 Estate</u></p> <p>Chemical Health Risk Assessment Report 2013 carried out by Klinik Mansor Sdn. Bhd.</p>				
4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.				Major
Findings	In compliance:	Yes:	x	No:	

<p>Objective evidence:</p>	<p><u>Baturong Palm Oil Mill</u></p> <p>Recommended Training Needs identified 16 sessions for safety and health Aspect, 3 sessions on environmental aspect and 3 sessions on social aspect.</p> <p>Training Programme 2015 planned 6 sessions environment programme, 19 sessions safety programme and 6 social programme.</p> <p><i>Latihan PPE</i> conducted on 17/06/2015.</p> <p>DOSH Inspection Report Book sighted and noticed the recent visit on 02/07/2015</p> <p>Monthly OSH Training Key Performance Indicator (KPI) is also available</p> <p><u>Baturong 3 Estate</u></p> <p>Safety Training Programme – 2015 planned 19 trainings, i.e. safety aspect on driving, chemical handling – premix chemical, PPE usage, use of fire extinguisher, safety aspect on harvesting, safety aspect on loading ramp / field, first aid procedure, etc... In year 2014, there were an average of 279 workers and total 52 trainings conducted.</p> <p><u>Baturong 2 Estate</u></p> <p>Recommended Training Needs identified 16 sessions for safety and health aspect, 3 sessions on environmental aspect and 3 sessions on social aspect.</p> <p>Monthly Training Key Performance Indicator (KPI) available which showed that in Year 2015 (until June 2015), there were an average total workers 365 and 17 trainings conducted.</p> <p>The mill has a list of PPE issuance and monthly monitoring records by department / section level. SOPs on chemical handling established and associate with work instruction, safety precautions and emergency action related to each hazardous. Besides, also sighted that proper PPE is used for workers during working at their respective working areas.</p> <p>During the estate visit to the chemical store, fertilizer storage warehouse and scheduled waste store, it was observed that good housekeeping, proper ventilation, adequate spillage kits, proper lighting, sump pits and awareness towards OHS and environment among workers interview found satisfactory.</p>	
<p>4.7.4</p>	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p>	<p>Major</p>



In BTRG 2, although appropriate PPE was provided to the spray operators, the PPE Apron of one operator was too short to protect from chemical contact or spray drift during operation

OBSERVATION 02

Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>Baturong Palm Oil Mill Meeting Plan for 2015 identified the type of committee meeting, i.e. Safety & Health Committee (JKKP), Employee Consultative Committee (ECC), Emergency Response Plan (ERP), Gender Consultative Committee.</p> <p>HSE Committee Meeting #BPOM/JKKP-M01/15 dated 15/05/2015 & #BPOM/JKKP-M01/15 dated 25/02/15 chaired by Mr. Kesavan Monohar had discussed the agendaon:</p> <ul style="list-style-type: none"> a) follow up on previous actions discussed during last meeting, b) validate the last meeting minutes, c) review the feedback collected from the workers, d) training and OSH promotion, ERP Plan, e) workplace inspection, f) accident reporting, g) cleanliness and landscaping, h) safety issue of foreign workers/contractors i) and other related matters. <p>In Palm Oil Mill, Emergency Response Plan Committee was also headed by Mr. Kesavan Monohar.</p> <p>In Baturong 3 Estate, in the latest Emergency Response Team headed by the Estate Manager En. Saudi Dakulah and assisted by 15 representatives from the estate. HSE Committee Meeting #BR3-EST-HSE-2015-02 dated 29/06/15 & #BR3-EST-HSE-2015-01 dated 30/03/15 was chaired by Estate Manager, En. Saudi Dakulah had discussed the agenda such as follow up on previous actions discussed during last meeting, validate the last meeting minutes, review the feedback collected from the workers, training and OSH promotion, ERP Plan, workplace inspection, accident reporting, cleanliness and landscaping, safety issue of foreign workers/contractors and other related matters.</p> <p>In Baturong 2 Estate, the <i>Carta Organisasi Jawatankuasa Keselamatan Dan Kesihatan</i> Ladang Baturong 2 headed by Mr. Kathiravan A/L Subramaniam. Appointment Letter For Safety Committee Members was prepared and acknowledged by the committee members. <i>Minit Mesyuarat Jawatankuasa Keselamatan Dan Kesihatan Pekerjaan</i> dated 20/04/15 sighted recorded the meeting which chaired by Kathiravan Subramaniam and discussed on the agenda such as follow up on previous actions discussed during last meeting, outstanding previous issues, results of workplace inspection, NODOPOD, annual training and awareness program, feedback from DOSH, government agencies and other external agencies and other related matters.</p>				
4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.				Minor
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>Emergency Response Plan Committee 2015 headed by Mr. Kesavan Monohar sighted at the mill. Emergency Response Plan which is in English and Bahasa Malaysia been verified available in the mill and estates notice board and the content of procedure was communicated to workers through training programs.</p> <p>Interviewed the estates and mill Indonesian workers and most of them understood Bahasa Malaysia language, therefore no translation need.</p> <p>Accident records are found to be updated on a monthly basis (using JKKP 6 form) for both Mill and Estates. Observed also JKKP 8 is used for reporting the accident records at a yearly basis.</p> <p>JKKP 6 <i>Laporan Kemalangan</i> for En. Mohd Syawal Rusli was recorded and the accident on 18/06/14 and reported to DOSH on 23/06/14.</p> <p>Through the field visit to mill and estates sighted the first aid kit available for all the operation activities.</p> <p>During mill and estate site visits, the audit team interviewed the assigned operatives trained in First Aid [Sabri in Baturong 2 estate, Rusli Karim in Baturong 3 and Nursia Sarif in mill].</p> <p>Warning signs , like "High Noise Area. Hearing Protection is to be used" in English and BM are displayed at entrances of all high noise areas in the mill. The noise level posted at the boiler</p>				


	station is 88 – 90 dBA and sterilization unit is 94 – 97 dBA			
	In Baturong 2 Estate sighted the “ <i>Latihan S.O.P Peti Kecemasan</i> ” record dated on 12/02/2015 and “ <i>Latihan Pertolongan Cemas – Bantuan Rawatan Luka</i> ” conducted by Baturong Clinic on 17/04/2015.			
4.7.6	All workers shall be provided with medical care, and covered by accident insurance.			Minor
Findings	In compliance:	Yes:	No:	
Objective evidence:	<p>All Workers (both local and foreign) are found to be covered by the valid accident insurance.</p> <p>Local employees and workers are covered under PERKESO [Persatuan Keselamatan Social] schemes.</p> <p>Foreign workers (mostly came from Indonesia) are covered under MSIG Foreign Workers' Comp. Scheme Insurance Policy . The insurance policy of the following were sighted were up –to-date :</p> <ul style="list-style-type: none"> • Baturong POM – MSIG Insurance – Policy No. DL-08991224-FWC with a validity from 01 October 2014 to 30 September 2015 for 70 workers . From the master list, the balance of another 23 foreign workers names has been submitted to HR HQ to have their insurance renewed and added into the insurance policy. • Baturong 2 – MSIG Insurance – Policy No. DL-09175459-FWC with a validity from 01 October 2014 to 30 September 2015 for 118 workers. Similarly, as in BPOM, names of workers not listed in the policy has been submitted to HR HQ to have their insurance renewed and added into the insurance policy. <p>Sampled conducted for Indonesian workers Adi Bin Kahar, Hendry Ambus and Madiana Lalet from Baturong 2 Estate and Sutra Saini, Basri Sanusi and Ilham Messa that coverage starts from 01/10/2014.</p> <p><u>Baturong 3 Estate</u></p> <p><i>Laporan Pengawasan Perubatan</i> (Medical Surveillance Report) carried out by Klinik Mansor Sdn. Bhd. in Year 2014 for 6 Manuring, 6 Sprayer, 1 Storekeeper, 2 Water Treatment, 2 Workshop. Total 17 and none being identified have the health issue. 5 areas being identified hazardous to health are <i>racun perosak, wasap kimpalan, minyak pelincir dan engine, sisa buangan bengkel and membaja.</i></p> <p><u>Baturong 2 Estate</u></p> <p><i>Laporan Pengawasan Perubatan</i> (Medical Surveillance Report) carried out by Klinik Mansor Sdn. Bhd. in Year 2014 for 21 Manuring, 5 Sprayer, 1 Storekeeper, 1 Workshop. Total 28 workers and 3 identified have health issue not caused by chemical, i.e. hypertension, diabetic, gaut and asthma. 5 areas being identified hazardous to health are <i>racun perosak, wasap kimpalan, minyak pelincir dan engine, sisa buangan bengkel and membaja.</i></p> <p><u>Baturong Palm Oil Mill</u></p> <p><i>Laporan Pengawasan Perubatan</i> (Medical Surveillance Report) carried out by Klinik Mansor Sdn. Bhd. Sandakan dated 14/01/2015 for 9 of Laboratory, 8 of Boiler, 6 of Process Operator (Store Keeper & Water Treatment), 6 of Electrical and 14 of Workshop (Mechanical Fitter).</p> <p>Out of the total 43 workers , 2 workers identified having health issue not caused by chemical, i.e. hypertension and diabetic.</p> <p>4 areas being identified hazardous to health are chemicals used that are hazardous to health such as hexane, potassium chromate and <i>wasap kimpalan and minyak dan pelincir.</i></p> <p>Baseline and annual audiogram is carried out for employees as per requirement. Workers medical surveillance and other medical history records are kept for every employee . Workers engaged in high noise areas undergo audiometric tests.</p> <p>Every morning during the briefing, all mill workers are reminded to wear their PPE and those exposed to high noise levels are reminded to wear their ear plugs</p> <p style="color: red;">Based on the Audiometry Testing Programme Report 2014 and the Audiometry Testing Programme Year 2015 (Report: ATP/2014111201), a Tripler Operator – Sia Rente was identified with standard threshold shift (STS) in 2014 , the action to shift the job or for the repeat test was not done and she was transferred to other job on 12/03/15 after the 2015 audiometry test</p>			

	OBSERVATION 03				
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.				Minor
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p><u>Baturong Palm Oil Estate</u></p> <p>Occupational Safety and Health – Monthly Key Performance Indicator (KPI) 2014 which recorded the following:</p> <p><i>1 jumlah kemalangan, 0 jumlah kemalangan nyaris, 0 jumlah kemalangan tanpa hilang hari kerja, 7 jumlah kemalangan hilang hari bekerja (LTI), 7 jumlah hari tidak bekerja, 0 jumlah kematian, 1 dilaporkan kepada JKKP for kes kemalangan pekerjaan and 0 for kes keracunan dan penyakit pekerjaan.</i></p> <p>Monthly Key Performance Indicator (KPI) 2015 (until June 2015) which recorded the following: <i>1 jumlah kemalangan, 0 jumlah kemalangan nyaris, 0 jumlah kemalangan tanpa hilang hari kerja, 14 jumlah kemalangan hilang hari bekerja (LTI) , 14 jumlah hari tidak bekerja, 0 jumlah kematian, 1 dilaporkan kepada JKKP for kes kemalangan pekerjaan and 0 for kes keracunan dan penyakit pekerjaan.</i></p> <p><u>Baturong 3 Estate</u></p> <p>Monthly Accident Key Performance Indicator (KPI) 2014 which recorded the following: <i>11 jumlah kemalangan, 0 jumlah kemalangan nyaris, 7 jumlah kemalangan tanpa hilang hari kerja, 4 jumlah kemalangan hilang hari bekerja (LTI) , 7 jumlah hari tidak bekerja, 0 jumlah kematian, 0 dilaporkan kepada JKKP for kes kemalangan pekerjaan and 0 for kes keracunan dan penyakit pekerjaan.</i></p> <p>Monthly Accident Key Performance Indicator (KPI) 2015 (until June 2015) which recorded the following: <i>6 jumlah kemalangan, 0 jumlah kemalangan nyaris, 0 jumlah kemalangan tanpa hilang hari kerja, 4 jumlah kemalangan hilang hari bekerja (LTI) , 8 jumlah hari tidak bekerja, 0 jumlah kematian, 0 dilaporkan kepada JKKP for kes kemalangan pekerjaan and 0 for kes keracunan dan penyakit pekerjaan.</i></p> <p><u>Baturong 2 Estate</u></p> <p>Monthly Accident Key Performance Indicator (KPI) 2014 which recorded the following : <i>9 jumlah kemalangan, 0 jumlah kemalangan nyaris, 1 jumlah kemalangan tanpa hilang hari kerja, 6 jumlah kemalangan hilang hari bekerja (LTI) , 16 jumlah hari tidak bekerja, 0 jumlah kematian, 0 dilaporkan kepada JKKP for kes kemalangan pekerjaan and 0 for kes keracunan dan penyakit pekerjaan.</i></p> <p>Monthly Accident Key Performance Indicator (KPI) 2015 (until June 2015) which recorded the following : <i>1 jumlah kemalangan, 0 jumlah kemalangan nyaris, 0 jumlah kemalangan tanpa hilang hari kerja, 1 jumlah kemalangan hilang hari bekerja (LTI) , 3 jumlah hari tidak bekerja, 0 jumlah kematian, 0 dilaporkan kepada JKKP for kes kemalangan pekerjaan and 0 for kes keracunan dan penyakit pekerjaan.</i></p>				
Criterion 4.8: All staffs, workers, smallholders and contract workers are appropriately trained.					
4.8.1	A FORMAL TRAINING PROGRAMME SHALL BE IN PLACE THAT COVERS ALL ASPECTS OF THE RSPO PRINCIPLES AND CRITERIA, AND THAT INCLUDES REGULAR ASSESSMENTS OF TRAINING NEEDS AND DOCUMENTATION OF THE PROGRAMME.				MAJOR
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>BPOM the 2015 training programme was sighted prepared on Jan 2015. It is divided to :</p> <ul style="list-style-type: none"> a) Environment b) Safety c) Social <p>Audiometric test was conducted by Klinik Mansor : Audiometry Testing Programme Factories and Machinery (noise Exposure) Regulation 1989 Report no: ATP/20150128 conducted on 28/1/15 for 22 persons. Form the test , 3 workers were reported to have Standard threshold shift (STS) and were recommended for a repeated test within 3 months. According to Baturong Region Safety Health Officer , En A. Razak Sarkansah, the report was only received in May 2015. Two of the workers, Sia Rente and Saleha Resang was transferred to the Creche and as a general worker. The 3rd worker, Jamaluddin will be sent for the audiometry test when Dr Mansor is in Lahad Datu .</p> <p>During their morning briefing (e.g. 7/7/15) , mill workers are regularly brief of the use of ear plug in high noise area.</p> <p>Some of the trainings for the Mill and estates are listed below :</p>				

Mill / Estate	Date	Training	Participants
BPOM	25/7/15	SOP Security	4
BPOM	24/7/15	SOP and StOP Press	9
BPOM	15/7/15	SOP Steriliser	11
BPOM	11/7/15	SOP Kernel Plant	6
BPOM	30/6/15	SOP and StOP Boiler and engine room	6
BPOM	13/6/15	PPE workshop	8
BPOM	18/5/15	MSDS	10
BPOM	27/5/15	Scheduled Waste training	16
BPOM	21/4/15	SOP and StOP Workshop	8
BPOM	17/4/15	First Aid	14
BPOM	13/6/15	ERP and Fire Drill	7
BPOM	26/3/5	Confined Space Training	11
BTRG 3	29/6/15	First Aid	27
BTRG 3	25/6/15	Safe operation for contract drivers	5
BTRG 3	25/6/15,2/2/15	SOP farm tractor drivers	13, 9
BTRG 3	18/5/15	SOP Harvesting	Harvesters
BTRG 3	10/4/15	fire extinguisher	31
BTRG 3	27/12/14	SOP Office	6
BTRG 3	26/2/15	Quality -Gap	harvesters, Mandores , Staff
BTRG 3	17/4/15	water pollution	all workers
BTRG 3	18/5/15	Handling scheduled waste	mechanic and staff
BTRG 3	9/6/15	RSPO	workers and staff
BTRG 3	16/6/15	Quality –Gap (pruning , stacking)	harvesters, Mandores , Staff
BTRG 3	1/7/15	Rubbish disposal	all workers
BTRG 2	10/6/15	EFB mulching	5
BTRG 2	5/1/15	SOP Manuring	11
BTRG 2	10/2/15	Loading Ramp	2
BTRG 2	12/2/15	first aid kit	crèche , sprayers, mandore,field supervisor , store keeper
BTRG 2	12/2/15	SOP Harvesting	Harvesters
BTRG 2	10/3/15	SOP workshop	3
BTRG 2	7/4/15	SOP Oil trap	3
BTRG 2	5/5/15	SOP Loose fruit	13
BTRG 2	12/5/15	fire extinguisher	11 (manuring & sprayers)
BTRG 2	9/6/15	SOP driver contractor	6
BTRG 2	10/5/15	SOP driver	9

	BTRG 2	7/7/15	Safety Induction and health for contractor	4	
4.8.2	Records of training for each employee shall be maintained.				Minor
Findings	In compliance:	Yes	x	No:	
Objective evidence:	BPOM and the estates do not keep records on training for individuals. However , training attendance is recorded as trainings participation are for the relevant workers that are involved in the operation				

Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity					
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.					
5.1.1	An environmental impact assessment (EIA) shall be documented.				<i>Major</i>
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p><u>Baturong Palm Oil Mill</u></p> <p>Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan prepared on 01/07/2015 and Review Document For Environmental Impact Assessment reviewed in July 2015 sighted</p> <p>DOE Inspection Visit Book Report available during site visit.</p> <p><u>Baturong 3 Estate & Baturong 2 Estate</u></p> <p>Environmental Impact Assessment Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan prepared on 01/07/2015.</p> <p>In estates and mill visited , the Environmental Policy signed by Dato’ Foong Lai Choong on 04/01/08 was posted on the notice board</p> <p>Sighted the EIA effectively covers the entire scope of operations for mill and estates. In general the environmental impacts have been assessed by taking into account of compliance to laws and legislations; environmental responsibility; estate soil map; estate topography map; estate slope and water quality index sampling point map, action plan and monitoring programmes.</p>				
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.				<i>Minor</i>
Findings	In compliance:	Yes:		No:	
Objective evidence:	<p>The identified environmental impacts documented in Environmental Impact Assessment Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan (Plans and Monitoring Programmes) were found to be reviewed and updated. The monitoring status is sighted in the ‘Review Document For environment Impact Assessment – Management Plans & Continuous Improvement Plan’</p> <p>The Plans and Monitoring Programmes for the identified environmental impact in the Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan did not identify the responsible person/persons although the information was indicated in Review Document For Environment Impact Assessment.</p> <p>OBSERVATION 04</p>				
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.				<i>Minor</i>
Findings	In compliance:	Yes:	x	No:	
Objective	For the identified environmental impacts in the Environmental Impact Assessment – Management				

evidence:	<p>Action Plans & Continuous Improvement Plan, mill and estates has identified with mitigation measures to reduce its impacts. Monitoring is through the annual review on the Environmental Impact Assessment are recorded in the Review Document For Environment Impact Assessment.</p> <p>Positive and negative impacts, plans and monitoring programmes for mill and estates such as waste product - empty fruit bunch, boiler ash, spent oil / lubricants and empty chemical containers, waste of clinical, domestic waste, sewage and garden residue, diesel, electricity and office paper usage, pesticide store / premixing area, landfill, workshop / vehicle bay, loading ramp, generator, linesite (concrete linesite), "Kongsi"/Wooden house and new buildings have been included and recorded in the report.</p>			
Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.				
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).			<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	<p>Sighted an assessment report of "High Conservation Value (HCV) & Conservation Area Assessment and management Plan" for Baturong Group (Baturong 1 Estate, Baturong 2 Estate, Baturong 3 Estate and Cantawan Estate) dated on 05/06/2015 conducted by Sustainable Palm Oil Team together with Baturong Group.</p> <p>Identified HCV are classified into 6 categories, i.e. forest areas containing globally, regionally or nationally significant concentrations of biodiversity values; forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not naturally occurring species exist in natural patterns of distribution and abundance; forest areas that are in or contain rare, threatened or endangered ecosystems; forest areas that provide basic services of nature in critical situations; forest areas fundamental to meeting basic needs of local communities and forest areas critical to local communities' traditional culture identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).</p> <p>In all estates visited, protection of waterways from negative impacts are addressed through riparian buffer zones.</p> <p>Hunting activities surrounding natural areas are monitored and controlled and signages of 'No hunting ' are in place</p>			
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.			<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	<p>There was not rare, threatened or endangered (RTE) species being identified based on the HCV assessment report which prepared on 05/06/2015.</p> <p>Based on the summary of HCV values, HCV 1.2 [Tinkayu River] has been recorded. Steep hill [HCV 4.2] and Archeological site [HCV 6] recorded.</p> <p>The action plans and monitoring programmes are avoiding spraying and manuring along the buffer zone, training for sprayers and manurers on buffer zone maintenance, continue to grow the natural vegetation and maintain it, no logging or weeding in the estate steep hills, proper signage at the hill conservation areas within the estate, etc...</p>			
				
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to			<i>Minor</i>

	capture, harm, collect or kill these species.	
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Based on the HCV assessment, some measures being implemented as part of educating workers at all level, such as training on sprayers not to spray the steep hill areas, educating the employees on the importance of buffer zone maintenance in the estate.</p> <p>Notices been circulated companywide that appropriate disciplinary action will be imposed in accordance to company and national law if found anyone violating.</p>	
5.2.4	Where an action plan has been created there shall be ongoing monitoring	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>HCV action plan which had been determined was found monitored in yearly assessment. Records e.g. Record of buffer zone maintenance training, Map showing buffer zones marking along the streams and tributaries, Contact information of Department of Drainage and Irrigation, HCV Patrolling book, Field map showing the boundary with the forest reserve, etc... were available as evidences of ongoing monitoring.</p> <p>Besides, stakeholder consultation for HCV and conservation area in term of meeting has been carried out on 22/12/2014 held at Baturong Palm Oil Mill Room Conference to discuss the issues of positive and negative impact for Social Impact Assessment and HCV Assessment. Results and outcomes were recorded in Social and HCV Impact Assessment Meeting Minute Baturong Group dated 22/12/2014.</p>	
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	This is not applicable to IOI Corporation – Baturong as the estates and mills are surrounded by the neighbouring estates and there was no local communities have been identified	
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
5.3.1	All waste products and sources of pollution shall be identified and documented.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p><u>Baturong Palm Oil Mill</u></p> <p><i>Pemberitahuan Buangan Terjadual</i> (Scheduled 2) dated 09/06/2015; Inventory of Scheduled Wastes (Fifth Schedule) July dated 2015-07-27; Inventory of Scheduled Wastes as at 20/07/15 (0.14mt for SW 102, 0.21mt for SW 305, 0.033mt for SW 409, 0.027mt for SW 410 & 0.002mt for SW 416); Consignment Note For Scheduled Waste #201507040852FNXY dated 04/07/2015 were available as evidence of proper disposal of the waste products</p> <p>The schedule waste collection by authorized collector [Legenda Bumimas Sdn. Bhd.] in accordance to Reg. 2005 of EQA 1974.</p> <p>During site visit to the store, the audit team observed the wastes were packed, marked and properly labelled and identified and provided duly completed Consignment Note of each type of waste.</p> <p>The mill has identified and documented 8 types of scheduled waste that are generated (i.e. SW 102, SW 109, SW 110, SW 305, SW 306, SW 409, SW 410, SW 416) from its mill operation and engineering activities. The waste management plan has identified of the waste product, sources of pollution, mitigation measures, target, and person responsible.</p> <p>The records of waste material disposal, e.g. Record of Domestic Waste Sent To Landfill dated 26/07/15 (6.19MT till to date), Record of Recyclable Waste – Paper (collected 4kg as on 23/07/2015), Record of Recyclable Waste – Scrap Iron (collected 3kg as on 23/07/15), Record of Recyclable Waste – Plastic (collected 59kg as on 23/07/2015)</p> <p><u>Baturong 3 Estate</u></p> <p><i>Borang Inventori Bulanan Buangan Terjadual</i> SW 305, June 2015; Used Oil Record Sheet; Consignment Note For Scheduled Waste dated 16/03/15; Notification of Scheduled Wastes, etc... were available as evidence of proper disposal of the waste products.</p> <p>The schedule waste collection by authorized collector [Alam Segar Enterprise] in accordance to Reg. 2005 of EQA 1974. During site visit to the store, the audit team observed the wastes were packed, marked and properly labelled and identified and provided duly completed Consignment Note of each</p>	

	<p>waste.</p> <p>The estate has identified and documented 6 types of scheduled waste that generated (i.e. SW 102, SW 110, SW 305, SW 409, SW 410 & SW 416) from its plantation and workshop activities. The waste management plan has identified type of the waste product, sources of pollution, mitigation measures, target, and person responsible.</p> <p>The records of waste material disposal, e.g. Record of Domestic Waste Sent To Landfill dated 26/07/15 (0.37MT till to date), Record of Recyclable Waste – Paper (collected 106kg as on 08/07/2015), Record of Recyclable Waste – Glass (balance 13kg as on 26/07/2015), Record of Recyclable Waste – Iron / Aluminium (collected 8kg as on 08/07/2015); Record of Recyclable Waste – Plastic (collected 1kg as on 08/07/2015)</p> <p><u>Baturong 2 Estate</u></p> <p><i>Borang Inventori Bulanan Buangan Terjadual SW 102 July 2015 & Borang Inventori Bulanan Buangan Terjadual SW 305 June 2015, Inventori Buangan Terjadual Sehingga 30/05/15 for SW305 – 0.488mt, SW410 – 0.037mt and SW102 – 0.2mt</i></p> <p>The schedule waste collection by authorized collector [Alam Segar Enterprise] in accordance to Reg. 2005 of EQA 1974. During site visit to the store, the audit team observed the wastes were packed, marked and properly labelled waste and provided duly completed Consignment Note of each waste.</p> <p>The estate has identified and documented 6 types of scheduled waste that generated (i.e. SW 102, SW 305, SW 306, SW 409 & SW 410) from its plantation and workshop activities. The waste management plan has identified the type of waste product, sources of pollution, mitigation measures, target, and person responsible.</p> <p>The records of waste material disposal, e.g. Record of Domestic Waste Sent To Landfill dated 20/07/15 (18MT till to date), Record of Recyclable Waste – Paper (balance 1530kg as on 24/07/15), Record of Recyclable Waste – Aluminium (balance 18.72kg as on 24/07/15); Record of Recyclable Waste – Plastic (balance 117.73kg as on 24/07/15)</p> <p>Through the site visit to the mill and estates, verified the awareness of the workers shown understood on the practices on proper disposal of waste material.</p> <p>Visit to the landfill and line site showed that proper waste disposal and segregation of waste are in place</p>							
5.3.2	All chemicals and their containers shall be disposed of responsibly.			<i>Major</i>				
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>				
Objective evidence:	<p>In the records of Notification of Scheduled Wastes, the wastes generated from the chemicals and their containers estimated 0.565 tonnes/month for SW 305 and 0.005 tonnes/month for SW 409.</p> <p>Spent lubricating oil [SW 305], contaminated items [SW 409] produced by the estate operations are collected and kept in the schedule waste store prior to disposal. Labelling and identification of scheduled wastes are in accordance to EQA 1974, (Schedule Waste) Regulation 2005.</p> <p>Inventory of Scheduled Wastes as at 30 June 2015 for SW 305 generated is 0.248 MT and SW 410 is 0.021 MT</p>							
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.			<i>Minor</i>				
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>				
Objective evidence:	<p>Following are waste management plan available at BPOM and recorded as follow:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Waste Products/Pollutants</th> <th style="width: 50%;">Plans and Monitoring Programmes</th> </tr> </thead> <tbody> <tr> <td>Palm Oil Mill Effluent (POME)</td> <td> <ul style="list-style-type: none"> To release POME to waterways according to DOE specifications – pH=5.0-9.0, BOD < 100mg/l, total suspended solid < 400ppm, oil and grease < 100ppm, Ammonical nitrogen < 150ppm, Total nitrogen < 200 ppm and temperature < 45degree C To reduce BOD by pumping high pH water 4th facultative pond to anaerobic pond 1a or 1b of low pH to maintain the </td> </tr> </tbody> </table>				Waste Products/Pollutants	Plans and Monitoring Programmes	Palm Oil Mill Effluent (POME)	<ul style="list-style-type: none"> To release POME to waterways according to DOE specifications – pH=5.0-9.0, BOD < 100mg/l, total suspended solid < 400ppm, oil and grease < 100ppm, Ammonical nitrogen < 150ppm, Total nitrogen < 200 ppm and temperature < 45degree C To reduce BOD by pumping high pH water 4th facultative pond to anaerobic pond 1a or 1b of low pH to maintain the
Waste Products/Pollutants	Plans and Monitoring Programmes							
Palm Oil Mill Effluent (POME)	<ul style="list-style-type: none"> To release POME to waterways according to DOE specifications – pH=5.0-9.0, BOD < 100mg/l, total suspended solid < 400ppm, oil and grease < 100ppm, Ammonical nitrogen < 150ppm, Total nitrogen < 200 ppm and temperature < 45degree C To reduce BOD by pumping high pH water 4th facultative pond to anaerobic pond 1a or 1b of low pH to maintain the 							

Diesel used [Ltrs]	47,473	41,742	46,206	40,170	39,732	41,059
Diesel / CPO [Ltrs/MT]	14.91	15.47	15.18	12.28	11.13	13.05
Diesel / FFB [Ltrs/MT]	2.97	3.18	3.18	2.58	2.41	2.75

In Palm Oil Mill, sighted the Summary of Diesoline Usage (5 Years) – Financial Year

	July'10- June'11	July'11- June'12	July'12- June'13	July'13 – June'14	July'14- June'15
Diesel (Ltr)	436094	467267	414961	418583	451741
Tonne FFB (MT)	185,007.17	179,865.67	188,391.35	183,010.29	171,362.87
Diesel (LTR) / Tonne FFB	2.3572	2.5979	2.2027	2.2872	2.6361

The following are the amount of renewable feedstock used in the mill .

Year	Amount of biomass used to generate Renewable Energy		kWh generated from the RE	kWh/MTFFB
	shell	fibre /mesocarp		
'14-'15	13,795.60	27,591.20	4,141,648.00	24.17
'13-'14	12,810.70	25,621.40	4,223,784.00	23.08

In Baturong 3 Estate, sighted the Summary of Diesoline Usage (5 Years) – Financial Year

	July'10- June'11	July'11- June'12	July'12- June'13	July'13 – June'14	July'14- June'15
Tonne FFB (MT)	47,323.53	49,758.21	52,222.63	48,105.98	48,573.44
Tonne CPO (MT)	9,485.919	10,028.652	10,914.501	9,903.043	10,240.098
Diesel (LTR) / Tonne FFB	6.2522	5.8054	5.6026	7.3200	6.7770
Diesel (LTR) / tonne CPO	31.2010	28.8040	26.8065	35.5584	32.1464

In Baturong 2 Estate, sighted the Summary of Diesoline Usage (5 Years) – Financial Year

	July'10- June'11	July'11- June'12	July'12- June'13	July'13 – June'14	July'14- June'15
Tonne FFB (MT)	55,261.15	55,325.09	57,581.02	8,244.71	55,583.27
Tonne CPO (MT)	11,166.263	11,222,269	6,150.298	1,696.321	11,810.430
Diesel (LTR) / Tonne FFB	5.6140	4.9304	4.5848	32.0205	6.2390
Diesel (LTR) / tonne CPO	27.7834	24.3066	42.9247	155.9066	29.3624

Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.

5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.	Major
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
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Objective evidence:	For estates, no burning policy is to comply with 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003 and is documented in Group Standard Operating Procedure (StOP) For Land Preparation For New Planting and Replanting which was prepared in September 2007 and July 2011 and communicated to IOI Group through the memorandum #MPOM/GM/2011/077 dated 07/07/2011.
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5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.	Minor																														
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																															
Objective evidence:	Observation during the field visit showed that zero-burning is advocated during replanting .																															
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.																																
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	Major																														
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																															
Objective evidence:	<p>The EIA assessment is used as a baseline for identifying polluting activities. The stack emission results are documented in the <i>Jadual Pelepasan Asap Hitam Dari Cerobong</i> and comply with the specification. Smoke recorder through smoke density device was on line recording (Continues Emission Monitoring System) and send to DOE and results records were kept in the mill.</p> <p>However, during the audit the Continuous Emission Monitoring System was found to have broken down since May 2015. Nevertheless, notification to the authority – Department of Environment through the contractor (Albe System Sdn. Bhd.) on 10/06/15 sighted and also sighted another notification made on 27/07/15 to DOE on the status of repairing the CEMS. Meanwhile, the monthly offline monitoring on the stack emission was submitted to DOE.</p> <p>The mill has developed an air pollutant assessment by creating identification waste sources that includes air pollutant waste in EIA report.</p> <p>In estate, a matrix table (part of the EIA report contents) effectively documented on pollutions that categorized into domestic waste, schedule waste, reusable waste and non-reusable waste.</p>																															
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimize them implemented.	Major																														
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																															
Objective evidence:	The treatment methodology for POME is well defined and closely monitored. Besides, the plans which identify to reduce or minimize GHG emissions are documented in Environmental Impact Assessment Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan.																															
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.	Minor																														
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																															
Objective evidence:	<p>The document available to ensure a system in place to monitor emission of pollution including greenhouse gases from estates and mill operations which named "Greenhouse Gas Calculations For Baturong Oil Mill", "Greenhouse Gas Calculations For Baturong 1 Estate", "Greenhouse Gas Calculations For Baturong 2 Estate", "Greenhouse Gas Calculations For Baturong 3 Estate" and "Greenhouse Gas Calculations For Cantawan Estate" sighted.</p> <p>Calculated GHG Value (kg CO2 eg/MT FFB) recorded as follow:</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Baturong 1</th> <th>Baturong 2</th> <th>Baturong 3</th> <th>Ldg. Cantawan</th> <th>Baturong Mill</th> </tr> </thead> <tbody> <tr> <td>12/13</td> <td>42.18</td> <td>64.83</td> <td>79.00</td> <td>47.57</td> <td>1071.00</td> </tr> <tr> <td>13/14</td> <td>59.22</td> <td>63.14</td> <td>67.56</td> <td>105.90</td> <td>960.94</td> </tr> <tr> <td>14/15</td> <td>71.13</td> <td>58.06</td> <td>65.36</td> <td>57.34</td> <td>813.67</td> </tr> <tr> <td>15/16</td> <td>58.383</td> <td>65.877</td> <td>84.746</td> <td>68.513</td> <td>967.850</td> </tr> </tbody> </table>	Financial Year	Baturong 1	Baturong 2	Baturong 3	Ldg. Cantawan	Baturong Mill	12/13	42.18	64.83	79.00	47.57	1071.00	13/14	59.22	63.14	67.56	105.90	960.94	14/15	71.13	58.06	65.36	57.34	813.67	15/16	58.383	65.877	84.746	68.513	967.850	
Financial Year	Baturong 1	Baturong 2	Baturong 3	Ldg. Cantawan	Baturong Mill																											
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Principle 6: Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Mills

Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The documented Social Impact Assessment (SIA) – Management Action Plans & Continuous Improvement Plan dated 01 July 2015 was checked and was found to be in place.</p> <p>The topics covered :</p> <ul style="list-style-type: none"> a) any changes to estate/ Mill demographic, b) changes to national Laws and regulations, c) general work / labour conditions on equal opportunities, d) rights to freedom of association, contracts e) and terms and conditions of work, wages, f) employment of women, g) grievance procedure, h) sexual harassment procedure, i) grievance procedure for Land owner issues, j) facilities and amenities, k) custom and cultures l) and the methodology of SIA, m) social surveillance program n) and continuous improvement of SIA. 	
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The SIA has been undertaken with the participation of affected stakeholders and there is no evidence of biasness in selecting stakeholder representatives.</p> <p>In addition, records of meetings and dialogs with stakeholders are maintained and made available to the auditing team during the audit.</p> <p>Meetings conducted by IOI Baturong Estates and Mill are as below:</p> <ol style="list-style-type: none"> 1. Meeting with external stakeholders (government and non-government organization), neighboring estates and smallholders, contractors/suppliers dated 22 Dec 2014 and 04 June 2015 2. Meeting with internal stakeholders dated 23 May 2015 attended 28 representative of employees 	
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Timetable with responsibilities for mitigation and monitoring of social aspects as stipulated in the estates and mill social management plans is available.</p> <p>The monitoring and revision of the timetable is conducted and updated as necessary. The record of such revision and monitoring is maintained.</p> <p>Recorded in Appendix 3 (Social Impact Assessment and Time Bound Action Plans for External and Internal Stakeholders Consultation) .</p> <p style="color: red;">However the plan for mitigation of negative impact at Estates does not clearly specified the time bound .</p> <p style="color: red;">Ref: Appendix 3 (Social Impact Assessment and Time Bound Action Plans for External and Internal Stakeholders Consultation) of SIA report July 2015 for Baturong 2 and Baturong 3 Estates.</p> <p style="color: red;">OBSERVATION 05</p>	
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.	<i>Minor</i>

Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The latest SIA conducted on July 2015 has been reviewed and included the participation of affected parties.	
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme)	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/>	N/A
Objective evidence:	Not applicable as the certification unit does not have such scheme.	
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1	Consultation and communication procedures shall be documented.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>List of local communities and other affected or interested parties are maintained. The consultation and communication between estates and mills with interested parties are documented in the SIA.</p> <ol style="list-style-type: none"> 1. Stakeholder Request (Estate Level) – external interested parties 2. Grievance Procedure for Land Owner Issues – external interested parties 3. Sexual Harassment Grievance Procedure – internal stakeholders 4. Grievance Procedure 	
6.2.2	A management official responsible for these issues shall be nominated.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>IOI Baturong has assigned the Social Liaison Officer as the responsible person in handling all matters and issues pertaining to social that covers the following responsibilities:</p> <ul style="list-style-type: none"> • Welfare and social needs of stakeholders (i.e. workers, suppliers, smallholders Kampong etc directly related to estate). • Periodic visits to line site and social amenities to ensure that buildings are in good order (through Hospital Assistant). • Periodic visits to neighboring stakeholders on a proactive manner to ensure that social issues are being taken care of (to have consultation to ensure that communication chain is available and maintained). • Identification of social issues affecting stakeholders and neighbouring communities/estates and to decide upon mitigation plans to solve social issues after consultation with the manager. • Maintenance and monitoring of grievance issues and facilitate feedback mechanism to ensure that a line of communication is available. • Monitoring of crèche and day care centre to ensure that children are being well taken care of and adequately educated. • To stakeholder's requests and ensure that requests are followed up with a response. • Grievance issues (encompassing social, work, repairs, etc.) and ensuring that proper follow up is conducted (this is to be documented). • Safety and health aspect of line site / estate / workers etc. • Other social issues arising / ad hoc social issues (this is situation dependent). 	
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>A list of stakeholders is available</p> <p>The stakeholders are representatives from the local and governmental authorities , NGOs, neighbouring and IOI sister estates, schools , suppliers, transporters , refinery, clinics, management representatives and internal stakeholders such as worker representatives, Humana and workers</p> <p>Records of communication with stakeholders and actions taken are maintained and made available</p>	
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		

6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>All records of complaints and grievances external and internal are kept within the Grievance/Request Record Book.</p> <p>As of the date of the Annual Surveillance Audit, there are no complaints received from outsiders and workers except on certain normal matters pertaining to the broken/obsolete amenities within the workers line site and request of replacement of PPEs.</p> <p>To address all the grievances and complaints raised by the relevant interested stakeholders, IOI Baturong has established the procedures covering the above-mentioned grievance and sexual harassment procedures highlighted in 6.2.2 to resolve the grievance raised in the form of flow chart that is formulated in both English and Bahasa Malaysia language and is found to be posted on the company's notice board.</p> <p>Furthermore the procedure to resolve the grievances involving land issues is established. Among others, the mechanism highlights the way of resolving the grievances through the following steps:</p> <ul style="list-style-type: none"> • Direct Negotiation; • Arbitration using independent arbitrator if Direct Negotiation is not able to solve the grievance; • Native Court if Arbitration is not able to solve the grievance; and • Civil Court as the ultimate platform if Native Court is not able to solve the grievance 	
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The established grievance procedures specify the estimated time that required to be taken for each of the process to be addressed before proceed to the subsequent process.</p> <p>During the Recertification Audit the Grievance/Request Record Book are viewed and all request and grievances are recorded on a case by case basis stating following items:</p> <ul style="list-style-type: none"> • the details of the complainant, • the date complaints recorded; and • the action taken following the complaints raised. <p>Based on the records showed, the auditing team observed that generally the follow-up action has been taken within 5 working days from the day the complaints were received.</p>	
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions		
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	To date, Baturong POM and Estate does not have any dispute on legal, customary or user rights . However, the flowchart namely "Grievance Procedure for Land Owner Issues" is available	
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	To date, there are no disputes related to legal, customary or user right from local communities or stakeholders.	
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	To date, there are no disputes received from indigenous people, local communities or stakeholders.	

Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.					
6.5.1	Documentation of pay and conditions shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>Pay slips is available detailing the basic pay, deductions, overtime, bonuses, allowance etc. Payments of the employees are on monthly/daily and piece rate basis.</p> <p>Examples of payslips reviewed at Baturong 2 Estates are as below:</p> <p><i>Penyata Gaji Kakitangan Am (Staff)</i></p> <ul style="list-style-type: none"> - Suarni bt Nurdin (local employees) – Clerk-Monthly paid RM 980. No overtime-June 2015 <p><i>Penyata Gaji Pekerja Am</i></p> <ul style="list-style-type: none"> - Nurmin Bt Mohd Salem (local employees) – Clerk-Daily Paid –June 2015 – RM30.77 daily paid <p>For Daily Rated, Piece Rated and Monthly Rated., observed that payment are not less than wage (i.e. RM30.77/day or RM800 per month. – following “Guidelines On the Implementation of Minimum Wages Order 2012” dated 06 September 2012.</p>				
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.				<i>Major</i>
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>For daily rated employees (local and foreigners) , contract of employment and other conditions (working hours, deductions, holiday entitlements, maternity leave, reason of dismissal, period of notice etc) is available in Bahasa Malaysia language that is understood by local and foreigners (Indonesian and Philippines).</p> <p>Several contracts of daily rated employees sighted during the audit are as below:</p> <ol style="list-style-type: none"> 1. Baturong POM <ul style="list-style-type: none"> a. Ms. Nozinanih Bt Renzie – Accounts Clerk (local) b. Mr. Arnolus Simon – Lab Assistant (Indonesian) c. Mr. Aril Alias – Clarification Operator (Indonesian) 2. Baturong 3 Estate <ul style="list-style-type: none"> a. Ms. Nursia Bt Sarif (Sprayer) b. Ms.Suharmi Base (Manuring) <p>Interviews carried out with the above employees found that they are understood on information written on contract employment and</p> <p>For monthly paid employees (all locals), an Offer Letter is available in English language. Interviews carried out with monthly paid staff at Baturong POM (Ms. Anita Jose Rulloda – Gender Representative) , Baturong 2 Estate (Suarni Nordin- Account Clerk) , Baturong 3 Estate (Ms. Sumarni Mammak) found that they are understood on details of information in the Offer Letter.</p> <p>An employment terms and conditions also being explained carefully during induction training conducted for each employee.</p>				
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers’ Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).				<i>Minor</i>
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>The organization provides adequate housing with average 2 workers in a room, medical is provided for free with clinic available in the estates. Workers are provided with electricity , clean treated water and domestic waste disposal service is available.</p> <p>There is an estate clinic with a hospital assistant to treat minor injury and sickness.</p>				

	<p>Education at primary level is supported for children from the estate as well as the surrounding area. Social, cultural and recreational activities and places of worship are supported. Public health services provided in housing areas.</p> <p>Public amenities are provided, effectively operated and maintained to a standard equivalent to local authority.</p>	
6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Workers have access to the sundry shop and open-market nearby where the prices of essential items are reasonably priced similar to the local pricing surrounding them.	
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
6.6.1	A published statement in local languages recognising freedom of association shall be available.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The policy statement entitled "Equal Opportunity Employment & Freedom of Association Policies" authorized by Group Plantation Director dated 20 Aug 2009 is available.	
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>At Baturong, Employees Consultation Committee (ECC) has been established by employees including foreign workers to negotiation with the managements.</p> <p>ECC has conducted meeting that discussing issue that highlighted with all employees. Issues discussed are related to improvement on housing facilities etc.</p> <p>Minutes of meeting with workers representative are maintains at POM and estates. For year 2015, meetings at Baturong 2 are conducted on 02 Jan 2015, 02 April 2015 and 02 July 2015. At Baturong POM , meeting was conducted on 27 February 2015 and 20 May 2015</p> <p>Minutes of meeting will be made available to all employees.</p>	
Criterion 6.7: Children are not employed or exploited.		
6.7.1	There shall be documentary evidence that minimum age requirements are met.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The minimum age of 18 years old in the policy statement is maintained.</p> <p>Employee records show that employment age requirement is met. Documentation checks and ground observation during audit also does not show evidence to suggest employment of underage workers</p>	
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age is prohibited.		
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>There is a publicly available equal opportunities policy which states that the company is an equal opportunity employer, whereby the company does not practice discrimination based on race, caste, national, origin, disability, gender, sexual orientation, union membership, political affiliation, or age, except for positive discrimination.</p> <p>Indonesian and Filipino workers are treated equally</p>	
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No evidence that employees have been discriminated by the company. Interviews with field workers (Indonesian) , women workers as evidence.	

	Evidences of non-discriminated includes the followings: <ul style="list-style-type: none"> - Priority employment for local priorities - Women right - Provide free hospitalization, clinic etc. <p>So far no records of complaints again discrimination.</p>	
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Recruitment, selection and hiring of workers are based on skills, capabilities and medical fitness according to job scope and the compliance to authority/ immigration. The positions held by workers are commensurate with their skills and experience. For example, Boilerman, Lab Supervisor, Engine Room Operator and Mill Supervisor at POM. General workers (foreign workers) are mostly based on medical fitness confirmed by Hospital Assistant (HA)	
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	IOI Baturong has established a policy to prevent sexual and all other forms of harassment and violence. The documented policy entitled "IOI Group's Policy on the Prevention and Eradication of Sexual Harassment in the Workplace" authorized by Group Executive Director dated 06 December 2006 is available. . At POM and estates, observed that the policy is posted on the notice board outside at Muster Ground, clinic and office. Based on interviewer with field, office employees and gender committee members, there are no records of sexual harassment received from employees. Grievance record book (<i>Buku Aduan Gangguan Seksual</i>) is available specifically to record complains related to sexual harassment. The company has established Gender Committee (<i>Jawatankuasa Pewanis 2014/2015</i>) to address of concerns to women. The organization chart is available that showed the committee consist of Chairman, Secretary and Committee Member. Meetings are carried out at least twice a year. Based on records, last meeting by Baturong 2 committee are conducted on 01/04/2015. At Baturong 02 estate, training on sexual harassment was sighted to be carried out for group of female and male employees.	
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	A policy to protect the reproduction rights namely "Protection of Reproduction Rights Policy" authorized by Mr. Too Heng Liew – Head of Sustainability (Malaysia/Indonesia) dated 02 July 2015 is available. At POM and estates visited, observed that the policy is communicated to all employees by displayed it at Notice Board at the office, clinic and Muster Ground area.	
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The flow chart entitled "Sexual Harassment Grievance Procedure" is available in both Bahasa Malaysia and English languages. The flow chart updated 01 July 2015 described the mechanism from receiving of the complaints from the victims until the decision taken by the team of management that includes Social Liaison Officer and Gender Representative.	
Criterion 6.10: Growers and millers deal fairly and transparently with smallholders and other local businesses.		

6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
Objective evidence:	Not applicable as Baturong does not deal with smallholders and outgrowers.	
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
Objective evidence:	Not applicable as Baturong does not deal with smallholders and outgrowers.	
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
Objective evidence:	Not applicable as Baturong does not deal with smallholders and outgrowers.	
6.10.4	Agreed payments shall be made in a timely manner.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
Objective evidence:	Not applicable as Baturong does not deal with smallholders and outgrowers.	
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.		
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Contribution to local communities is specified in the social impact assessment and management actions plan. Contributions to local development that are based on the results of consultation with local communities are documented</p> <p>Some of the contribution to local development are as follows:</p> <ul style="list-style-type: none"> • Collection of School Bags and Stationeries for Humana School children by Baturong 2 and Baturong 3 Estates; • Provide free transportation services for school children during activities at Sekolah Menengah Pertama Terbuka (SPMJ) CLC Baturong • There is evidence that preference for employment is given to members of local communities for all positions, especially in the mill and offices. Currently all office staff at Baturong 2 Estate are local communities. <p>All activities and contribution rendered are recorded in the Social and Grievance Record for each of the financial year</p>	
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A	
Objective evidence:	<p>Not applicable as Baturong does not deal with smallholders and outgrowers.</p> <p>No scheme smallholders in the supply base.</p>	
Criterion 6.12: No forms of forced or trafficked labour are used.		
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>No evidences of force labour.</p> <p>Currently there are total of 108 employees from Indonesia at Baturong 2 .</p> <p>All passports are kept in the Estate safe for safe-keeping and security reason. Workers are allowed access to their passport at anytime.</p>	

6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	There are new employment by Baturong POM and estates. Interview with new employees/workers show that there was no evidence of contract substitution occurred.	
6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented.	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Baturong Group (Lahad Datu Region) employs foreign workers. No temporary workers are employed to date.</p> <p>Policy on Foreign Workers is available.</p> <p>However the recruitment procedure available for foreign workers lacks information such as :</p> <p>a) orientation program ,</p> <p>b) commitment to no contract substitution to ensure that recruiting is implemented according immigration and national guidance.</p> <p>OBSERVATION 06</p>	
Criterion 6.13: Growers and millers respect human rights		
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see criteria 1.2 and 2.1)	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>IOI's Sustainability Policy Statement includes Human Rights and Workplace. This has been stressed in the IOI Corporation Berhad's 2014 annual report.</p> <p>This policy covers the necessary aspects of human rights related issues. Interview during the assessment reveal that employees understand their right. IOI head office is in process of reviewing their various social policies for integration into the group.</p>	
6.13.2	As long as children of foreign workers in Sabah and Sawarak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Baturong has established the Humana School to allow children of foreign workers access to (usually until age of 12) education as a moral obligation.	

Principle 7: Responsible Development of New Plantings

There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005.

Evidence should include historical remote sensing imagery which demonstrates that there has been no conversion of primary forest or any area required to maintain or enhance one or more HCV. Satellite or aerial photographs, land use maps and vegetation maps should be used to inform the HCV assessment.

Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.

Criterion 7.3: New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment. It has also verified through the land title and planting history.	

Principle 8: Commitment to Continual Improvement in Key Areas of Activity				
Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations.				
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6) • Environmental impacts (Criterion 4.3, 5.1 and 5.2) • Waste reduction (Criterion 5.3) • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8) • Social impacts (Criterion 6.1) • Encourage optimizing the yield of the supply base. 			<i>Major</i>
Findings	In compliance:	Yes:	x	No:
Objective evidence:	<ul style="list-style-type: none"> • Reduction in use of pesticides – refer to 4.6.2 , where pesticide usage is monitored i.e. Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are available • Environmental impacts – refer to 5.1.1. Environment impacts for both mill and estates and the continual improvement action plan recorded in the “Plans and Monitoring Programme” of Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan. • Waste reduction – refer to 5.3.3. Both mill and estates planned, implemented and monitored the continual improvement which documented in Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan. • Pollution and greenhouse gas (GHG) emissions – refer to 5.6. Baseline for identifying polluting activities and continual improvement action plan recorded in Environmental Impact Assessment Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan. • Social impacts – refer to 6.11 and 6.1.4 where the SIA is reviewed where plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, are developed in consultation with the affected parties • Encourage optimizing the yield of the supply base – Baturong Production Unit encourages optimizing of yield ensuring their annual agronomic visits, fertiliser application had harvesting is up-to-date. Yield per hectare per month for all the estates is provided to each estate to provide a ‘competitive’ system to do better. 			

3.1.2 Supply Chain

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

Module D – CPO Mills: Identify Preserved

Module D- CPO Mills: Identify Preserved
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D.1: Definition																
D.1.1	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.															
D.2: Explanation																
D.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.			MAJOR												
Findings	In compliance:	Yes:	x	No:												
Objective evidence:	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill are recorded by the certification body (CB) in the public summary of the P&C certification report.</p> <p>a) Potential total volume of certified palm oil product CPO : 37,921.60 MT</p> <p>b) Potential total volume of certified palm oil product PK : 11,700.01 MT</p> <table border="1"> <thead> <tr> <th>10/9/14 -</th> <th>3/10/14 – 26/7/15</th> <th>Oct '14 – Jan '15</th> <th>e Trace Record 10/9/14 – 10/7/15</th> </tr> </thead> <tbody> <tr> <td>Potential total volume of certified palm oil product CPO : 37,921.60 MT</td> <td>Actual CPO produced : 28,268.64 MT</td> <td>Sales RSPO/SG : 2,670.095 MT Sales ISCC : 10,056.073MT</td> <td>volume sold/removed: 15,482.82 MT</td> </tr> <tr> <td>Potential total volume of certified palm oil product PK : 11,700.01</td> <td>Actual PK produced : 7,671.69 MT</td> <td></td> <td>volume sold/removed: 8,650.01 MT</td> </tr> </tbody> </table>				10/9/14 -	3/10/14 – 26/7/15	Oct '14 – Jan '15	e Trace Record 10/9/14 – 10/7/15	Potential total volume of certified palm oil product CPO : 37,921.60 MT	Actual CPO produced : 28,268.64 MT	Sales RSPO/SG : 2,670.095 MT Sales ISCC : 10,056.073MT	volume sold/removed: 15,482.82 MT	Potential total volume of certified palm oil product PK : 11,700.01	Actual PK produced : 7,671.69 MT		volume sold/removed: 8,650.01 MT
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D.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).			MAJOR												
Findings	In compliance:	Yes:	x	No:												
Objective evidence:	<p>IOI Corporation Bhd – Baturong has registered under the RSPO IT, e Trace system.</p> <p>License ID : CB19078</p> <p>Member ID: RSPO_PO1000000118</p> <p>A sample of a Shipping Announcement was sighted.</p> <p>Seller: Morisem Sdn Bhd – Baturong Palm Oil Mill</p> <p>Buyer: IOI Commodity Trading Sdn Bhd (RSPO_PO1000000082)</p> <p>Creation Date: 24/7/15</p> <p>Shipping /BL Date : 6/7/15</p> <p>transaction ID: TR-bb8383d5-65c5</p> <p>Product details</p> <ul style="list-style-type: none"> - CPO - Segregation 															

	- Volume : 100 MT				
D.3: Documented Procedures					
D.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>				MAJOR
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>Baturong has revised Supply Chain procedure (RSPOSC/SOP/IP/3 Issue No. 04 Dated 2nd January 2015. The Standard Operating Procedure for Palm Oil Mill Operations include:</p> <ol style="list-style-type: none"> 1. Purpose 2. Scope 3. Responsibilities 4. Reception 5. Processing and storage <ul style="list-style-type: none"> • Processing • Storage • Crushing of CSPK 6. Despatch 7. Records and retention <ul style="list-style-type: none"> • 7.1 Records • Retention of Records 8. Training 9. Claims 10. Overproduction. <p>The Mill Manager, Mr Kesavan Manohar remains as a person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p> <p>Job descriptions for all related staff are described in Job Description Palm Oil Mill dated 9 January 2013.</p> <p>The JD (Revised on 24 December 2013) describe adequately duties and responsibilities for Mill Manager (MR), Assistant, Technical executive, supervisor, weighbridge operators etc.</p>				
D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBS.				MAJOR
Findings	In compliance:	Yes:		No:	N/A
Objective evidence:	Baturong do not receive non-certified FFBS				
D.4: Purchasing and goods in					
D.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBS received.				MAJOR
Findings	In compliance:	Yes:		No:	N/A
Objective evidence:	Baturong do not receive non-certified FFBS				
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.				MAJOR
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>Section 10.0 Overproduction describe under 10.2 – In case production of FFB, CPO or PK is expected to exceed the projected amount that have been communicated, the mill is required to inform marketing department and to inform the respected CB.</p> <p>a) Potential total volume of certified palm oil product CPO : 37,921.60 MT</p>				

b) Potential total volume of certified palm oil product PK : 11,700.01 MT	
D.5: Record keeping	
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	<p>The Mass Balance Calculation (Internal Process and Output) of CPO for financial year 2014/2015 is available.</p> <p>Similar Mass balance table was sighted for palm Kernel</p> <p>Observed that the company records and balances all receipts of RSPO certified FFB , CPO and PK produced and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>At the Baturong Palm Oil Mill Mass Balance Table , the 'Despatch ' is defined as the amount sent to the refinery whereas 'Sales Volume' is defined as the amount sold either as RSPO or ISCC.</p> <p>The amount brought forward is the amount produced + last month's brought forward – amount despatch from the mill.</p> <p>The mill will produce a daily production report to monitor the amount processed and produced</p> <ul style="list-style-type: none"> a) Opening and closing stock (FFB , CPO , PK) b) FFB Quality c) CPO and PK production d) Daily despatch e) Extraction Rate f) CPO and PK storage volume and Quality g) Production Quality
D.6: Processing	
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage. MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	<p>On arrival, the tanker will be checked and a form,' <i>Senarai Pemeriksaan CPO / PK</i> ' will be filled by security to ensure that the tank compartment is dry /clean and weighed.</p> <p>After loading the sustainable material, the tanker is sealed /tagged.</p> <p>A sample of the form is sighted.</p> <p>Seal number: 0015485-0015498 0015499</p> <p>date: 27/7/15</p> <p>Product: CPO/IP</p>
D.6.2	The objective is for 100 % segregated material to be reached. MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	<p>The facility only purchases from its own supply base.</p> <p>The FFB ticket is used to trace the origin of the FFB from the sources.</p>

3.2 Corrective Action Request

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

3.3 Noteworthy Positive & Negative Observation

There were 06 Observations raised

3.4 Status of Non-Conformities Previously Identified

One Minor that was raised during the previous audit was closed when the evidence was submitted during the Recertification

Please refer to **Appendix B** for the previous audit.

3.5 Issues Raised by Stakeholders and Findings

A list of stakeholders contacted is included as **Appendix C**. After the 30 days notification prior to the audit , Baturong Group (Lahad Datu Region) and SGS Malaysia did not receive any feedback or comments from stakeholders writing regarding the **Baturong Group (Lahad Datu Region)**'s environmental and social performance. All interviewed stakeholders had positive comments about **Baturong Group (Lahad Datu Region)**.

4. ACKNOWLEDGEMENT OF ORGANIZATION INTERNAL RESPONSIBILITY

4.1 Conclusion

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

4.2 Date of Next Surveillance Visit



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

4.3 Date of Closing Non-Conformities

Reference	Class	Issued	Close
4.4.7	Minor	ASA 04, 8/10/14	Recertification, 27/7/15

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

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

Signed on behalf of IOI Plantation	Signed on behalf of SGS Malaysia Sdn Bhd
	
Name: Yeo Lee Nya Position: Sustainability Manager	Name: James Ong Position: Lead Auditor

APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION

OBSERVATIONS

OBS #	Indicator	Observation Detail					
		Date Recorded>		Due Date>		Date Closed>	
01	2.1.1	Date Recorded>	27/7/15	Due Date>	-	Date Closed>	-
		Non-Conformance:					
		One of the evidence of compliance with relevant legal requirements was not available					
		Objective Evidence:					
		<ul style="list-style-type: none"> Land title for Palm Oil Mill was not sighted although the mill is located within the Country Lease (CL) 245352587 dated 11 January 1985 					
		OBSERVATION 01					
02	4.7.3	Date Recorded>	29/7/15	Due Date>		Date Closed>	
		Non-Conformance:					
		All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). However it was noticed that inappropriate protective equipment were not available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.					
		Objective Evidence:					
		In BTRG 2, although appropriate PPE was provided to the spray operators, the PPE Apron of one operator was too short to protect from chemical contact or spray drift during operation					
		OBSERVATION 02					
03	4.7.6	Date Recorded>	27/7/15	Due Date>		Date Closed>	
		Non-Conformance:					
		One of the workers was not provided with medical care, although covered by accident insurance.					
		Objective Evidence:					
		Based on the Audiometry Testing Programme Report 2014 and the Audiometry Testing Programme Year 2015 (Report: ATP/2014111201), a Tripler Operator – Sia Rente was identified with standard threshold shift (STS) in 2014, the action to shift the job or for the repeat test was not done and she was transferred to other job on 12/03/15 after the 2015 audiometry test					
		Close-out evidence:					
04	5.1.2	Date Recorded>	27/7/15	Due Date>		Date Closed>	
		Non-Conformance:					

OBS #	Indicator	Observation Detail					
		<p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan did not identify the responsible person/persons.</p> <p>Objective Evidence:</p> <p>The identified environmental impacts documented in Environmental Impact Assessment Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan (Plans and Monitoring Programmes) were found to be reviewed and updated. The monitoring status is sighted in the 'Review Document For environment Impact Assessment – Management Plans & Continuous Improvement Plan'</p> <p>The Plans and Monitoring Programmes for the identified environmental impact in the Environmental Impact Assessment – Management Action Plans & Continuous Improvement Plan did not identify the responsible person/persons although the information was indicated in Review Document For Environment Impact Assessment.</p> <p>OBSERVATION 04</p> <p>Close-out evidence:</p>					
05	6.1.3	Date Recorded>	28/7/15	Due Date>		Date Closed>	
		<p>Non-Conformance:</p> <p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled but not time-bound, including responsibilities for implementation</p> <p>Objective Evidence:</p> <p>Timetable with responsibilities for mitigation and monitoring of social aspects as stipulated in the estates and mill social management plans is available.</p> <p>The monitoring and revision of the timetable is conducted and updated as necessary. The record of such revision and monitoring is maintained.</p> <p>Recorded in Appendix 3 (Social Impact Assessment and Time Bound Action Plans for External and Internal Stakeholders Consultation) .</p> <p>However the plan for mitigation of negative impact at Estates does not clearly specified the time bound .</p> <p>Ref: <i>Appendix 3 (Social Impact Assessment and Time Bound Action Plans for External and Internal Stakeholders Consultation) of SIA report July 2015 for Baturong 2 and Baturong 3 Estates.</i></p> <p>OBSERVATION 05</p> <p>Close-out evidence:</p>					
06	6.12.3	Date Recorded>	27/7/15	Due Date>		Date Closed>	
		<p>Non-Conformance:</p> <p>Where temporary or foreign workers are employed, a special labour policy and procedures established and implemented however some procedures were found lacking</p> <p>Objective Evidence:</p> <p>Baturong Group (Lahad Datu Region) employs foreign workers. No temporary workers are employed to date.</p> <p>Policy on Foreign Workers is available.</p> <p>However the recruitment procedure available for foreign workers lacks information such as :</p> <ul style="list-style-type: none"> c) Orientation program , d) Commitment to no contract substitution to ensure that recruiting is implemented according immigration and national guidance. <p>OBSERVATION 06</p>					

OBS #	Indicator	Observation Detail
		Close-out evidence:

APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED

CAR #	Indicator	CAR Detail					
		Date Recorded>		Due Date>		Date Closed>	
Minor 31	4.4.7		08/10/14		recert		27/7/15
		Non-Conformance:					
		Incomplete of water management plan. The audit team notes that the plan does not clearly specifies the issues raised and recommendation made by the Department of Health on 08 April 2014. The company may wish to include the recommendation made by the Department into their water management plan during the revision process					
		Objective Evidence:					
		The reviewed Water Management Plan of Baturong Group for 2015 has included the recommendation made by the Department of Health. The issue raised and any parameter that are exceeding the standard have been addressed in the document together with the action plan.					
		Close-out evidence:					
The auditor has review the Water Management plan and it has included hte recommendations raised by the Department of Health							

APPENDIX C: TIMEBOUND PLAN

As of 12 Nov 2015

No	PMU	Main / Assessment	Certification Status	Current Status
1.	Pamol Sabah POM	May 2008	<i>Certified in Feb 2009</i>	<i>Re-Certified in 2014</i>
			<i>Re-Certified in Feb 2014</i>	<i>ASA-01 planned in 2015.</i>
2.	Sakilan POM, Sabah	Nov 2008	<i>Certified in Mar 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>
3.	Pamol Kluang POM	March 2009	<i>Certified in Mar 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>
4.	Gomali POM, Sabah	August 2009	<i>Certified in Aug 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>
5.	Baturong POM	Sept 2009	<i>Certified in Oct 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>
6.	Bukit Leelau POM	April 2010	<i>Certified in Nov 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>
7.	Mayvin POM	August 2010	<i>Certified in Dec 2010</i>	<i>ASA-04 done.</i> <i>Re-Certification planned for 2015</i>
8.	Pukin POM	Dec 2010	<i>Certified in Jun 2012</i>	<i>ASA-03 done.</i> <i>ASA-04 planned for 2015.</i>
9.	Leepang POM	Aug 2012	<i>Certified in Dec 2013</i>	<i>ASA-01 done.</i> <i>ASA-02 planned for 2015.</i>
10.	Syarimo POM	Sept 2012	<i>Certified in Mar 2013</i>	<i>ASA-01 done.</i> <i>ASA-02 planned for 2015.</i>
11.	Ladang Sabah POM	Oct 2012	<i>Certified in Apr 2013</i>	<i>ASA-01 done.</i> <i>ASA-02 planned for 2015.</i>
12.	Morisem POM, Sabah	Sept 2013	<i>Certified in Dec 2013</i>	<i>ASA-01 done.</i> <i>ASA-02 planned for 2015.</i>
13.	IOI-Pelita, Sarawak	<i>Planned – Dec 2019</i>	-	<i>New certification for IOI, Pelita (Sarawak) is pending resolution of land dispute and RSPO decision.</i> <i>Settlement discussion with local community are presently in progress.</i>
14.	IOI-Unico POM-1, Sabah	<i>Planned – 2018</i>	-	<i>Supply Base has external / independent smallholders.</i>
15.	IOI-Unico Desa POM-2, Sabah	<i>Planned – Sept 2017</i>	-	<i>Supply base comprise of own estates only.</i>
16.	PT SKS	<i>Planned – Dec 2016</i>	--	<i>2016 (POM just commissioned, HGU application in process)</i>
17.	PPT BNS	<i>Planned – 2017</i>	--	<i>(POM just commissioned, HGU application in process)</i>

18.	PT BSS	2019		(No POM yet – in development phase)
19.	PT KPAM	2020		(No POM yet – reapplication of expired Ijin Lokasi and development planned in 2017)

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

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

CASE TRACKER

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

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

Date Filed 03 April 2015

Category Oil Palm Grower

Complainant Aid Environment

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

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

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

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

Status Box D. Complaint Legitimate

APPENDIX D: LIST OF STAKEHOLDERS CONTACTED

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
Jabatan Tenaga Kerja Kunak	Pn. Jamaliah Jamal Tel : 089-851675 Fax : 089-851702 e-Mail : pbkunak@mohr.gov.my	<ul style="list-style-type: none"> • Opportunity for locals to seek for job • disputes and conflict • Pampasan • Pay deduction 	JTK has positive comments on the response of Baturong to request made by JTK No outstanding issues concerning disputes, unlawful termination , abscond, etc
Harvesters, sprayers, manurers, Mandores ,staff , HA , etc	Internal Stakeholders	Housing and facilities Pay and salary day contract rates PPE Repairs	Workers are satisfied with the pay, housing and facilities Repairs and replacement provided but worker must return back the faulty bulb
External stakeholder –	Neighbouring estate – Mr Safwan Asst Manager, Muis-Melewar Plantation 2	Boundary Workers trespassing Strangers	No issue raised. All good. Cooperation between estates heightened especially after kidnappings and robberies in Sabah
External stakeholder	Neighbouring estate – Mohd Imran – Asst Manager Sime Darby Jeleta Bumi	Overlapping land for 70 palms Water quality Boundary Trespassing Trenching	70 palm disputes settled between the estate management other matters also no issue raised and cooperation good