

## RSPO PRINCIPLES & CRITERIA CERTIFICATION REPORT

### Public Summary Information

<b>Project Number:</b>	MY02203		
<b>Client:</b>	Dynamic Plantations Bhd – Gomali Palm Oil Mill	<b>RSPO membership #</b>	2-0002-04-000-00
<b>Country:</b>	Malaysia	<b>RSPO Registered Parent Company:</b>	IOI Corporation Bhd
<b>Scope:</b>	Production of CPO and Palm Kernel		
<b>Supply Chain Module:</b>	Module D: CPO Mills: Identity Preserved		
<b>Mill Capacity</b>	Multi	<b>Number of Estate</b>	11
<b>Certificate Number:</b>	<b>SGS-RSPO/PM-MY10/00573</b>	<b>Date of Issue:</b>	23 Aug 2015
		<b>Date of Expiry:</b>	22 Aug 2020
<b>SGS Accreditation Code</b>	RSPO-ACC-010	<b>Date of accreditation:</b>	24 May 2014
<b>Contacts Job Description:</b>	Manager- Sustainability		
<b>Name:</b>	YEO Lee Nya		
<b>Address:</b>	<u>Mill Address</u> Gomali Palm Oil Mill 5 mile, Jln Gemas – Batu Anam K.B. No 102, 85109 Batu Anam, Segamat, Johor	<u>Head Office</u> Level 8, Two IOI Square IOI Resort, 62502 Putrajaya Malaysia.	
<b>Tel:</b>	03-89478691		
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<b>Web Site Address:</b>	<a href="http://www.ioigroup.com/">http://www.ioigroup.com/</a>		
<b>Email:</b>	yeo.leenya@ioigroup.com		
<b>Standard:</b>	<b>Malaysian National Interpretation 2014</b> <b>RSPO Supply Chain Certification Standard dated 21 November 2014</b>		
<b>Date of last report update</b>	14 Jul 2015		

**End of Public Summary**

**BASIC EVALUATION INFORMATION**

RE-EVALUATION			
Evaluation Dates:	29 June to 2 July 2015		
Team Leader/Team:	James Ong, Kam Foo Chi, Hoo Boon Han. Abdullah Din (L1)		
External Peer Review:	Ganapathy Ramasamy	Date:	23 Sep 15
Report approved by:	Abdullah Din	Date:	12 Oct 2015
Certification approved by:	Kenny Looi	Date:	13 Oct 2015
Database logged by:	Shahziela Othman	Date:	13 Oct 2015
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:	

## TABLE OF CONTENTS

**BASIC EVALUATION INFORMATION .....2**

**SUMMARY ..... Error! Bookmark not defined.**

**List of Abbreviation .....5**

**1. Scope of certification assessment .....6**

    1.1 National Interpretation Used ..... 6

    1.2 Certification Scope ..... 6

    1.3 Location and Maps ..... 6

    1.4 Description of Supply Base and Mill Processing Capacity ..... 11

    1.5 Area of Plantation ..... 12

    1.6 Date of Planting and Cycle ..... 12

    1.7 Other Certification Held ..... 13

    1.8 Organizational Information and Contact Person ..... 13

    1.9 Time-bound Plan for Other Management Units ..... 13

**2. Assessment Process ..... 13**

    2.1 Certification Body ..... 13

    2.2 Assessment Methodology, Programme, Site Visits ..... 14

    2.3 Qualification of Lead Assessor and Assessment Team ..... 17

    2.4 Stakeholder Consultation and List of Stakeholders Contacted ..... 18

**3. Assessment Findings ..... 18**

    3.1 Summary of Findings ..... 18

    3.2 Corrective Action Request ..... 59

    3.3 Points of Improvements ..... 59

    3.4 Status of Non-Conformities Previously Identified ..... 60

    3.5 Issues Raised by Stakeholders and Findings ..... 60

**4. Acknowledgement of Organization Internal Responsibility ..... 62**

    4.1 Conclusion ..... 62

    4.2 Date of Next Surveillance Visit ..... 62

    4.3 Date of Closing Non-Conformities ..... 62

    4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings ..... 62

**APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION ..... 63**

**APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED ..... 68**

**APPENDIX C: TIMEBOUND PLAN ..... 69**

**APPENDIX D: LIST OF STAKEHOLDERS CONTACTED ..... 71**

**LIST OF TABLES**

Table 1: Mill and Supply Base GPS Location ..... 6

Table 2: Actual and Projected FFB from Supply Base ..... 11

Table 3: Actual and Projected Mill Processing Data ..... 11

Table 4: Area Statement of the Supplying Estates ..... 12

Table 5: Planting Age Profiles for all Supply Base Estates ..... 12

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Table 6: Assessment Program ..... 14

Table 7: Auditors Profile ..... 17

**LIST OF FIGURES**

Figure 1: Estates and Mills Location Map ..... 7

Figure 2: Estates and Mills Location Map ..... 8

Figure 3: Tambang Estate Layout ..... 9

Figure 3: Bahau Estate Layout ..... 10

## LIST OF ABBREVIATION

Short Form	Meanings
CAR	Corrective Action Request
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DID	Department of Drainage and Irrigation, Malaysia
DOE	Department of Environment, Malaysia
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
EMS	Environmental Management System
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened species
ESA	Environmentally Sensitive Area
FFA	Free Fatty Acids
FFB	Fresh Fruit Bunches
FR	Forest Reserve
Ha	Hectare
HCV	High Conservation Value
HDPE	High Density Polyethylene
IPM	Integrated Pest Management
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature and Natural Resources
JCC	Joint Consultative Committee
JUPEM	Jabatan Ukur dan Pemetaan Malaysia (Department of Survey and Mapping Malaysia)
K	Potassium
kW	Kilowatt
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
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** and **RSPO Supply Chain Certification Standard dated 21 November 2014**.

## 1.2 Certification Scope

The scope of certification includes the production of Gomali POM and its 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

Gomali Oil Mill is located in Batu Anam, Segamat, Johor (**Figure 1**). More detailed information on the estates location and layouts is shown in **Figures 2, 3** and **4**. The GPS locations of the mills are shown in Table 1.

**Table 1: Mill and Supply Base GPS Location**

Estates	Longitude	Latitude
Gomali Mill	102°40'45.44"	2°36'37.68"
Gomali	102°39'21.12"	2°36'48.94"
Paya Lang	102°41'41.36"	2°36'28.53"
Bahau	102°26'44.47"	2°48'30.75"
Bertam	102°17'30.11"	2°17'55.6"
Bukit Dinding	102°05'31.36"	3°22'39.8"
Kuala Jelai	102°22'52.27"	2°46'21.56"
Tambang	102°42'53.17"	2°38'26.33"
Regent	102°24'8.23"	2°30'29.81"
Sagil	102°38'6.56"	2°19'33.84"
Jasin Lalang	102°24'44.81"	2°15'4.13"
Sembilan Tani Estate (associated outgrower)	102°37'03.81"	2°38'15.97"

Figure 1: Estates and Mills Location Map

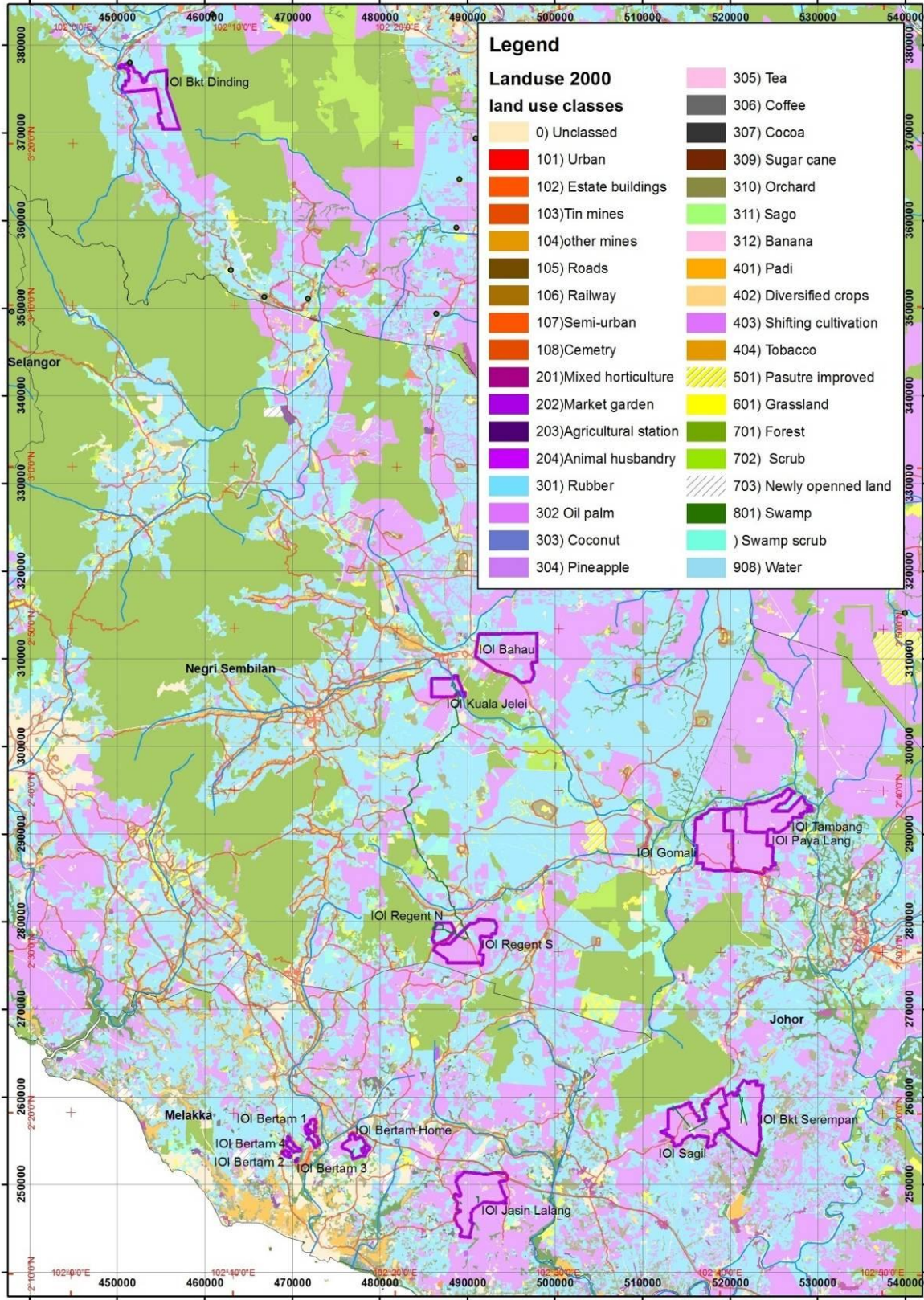


Figure 2: Estates and Mills Location Map

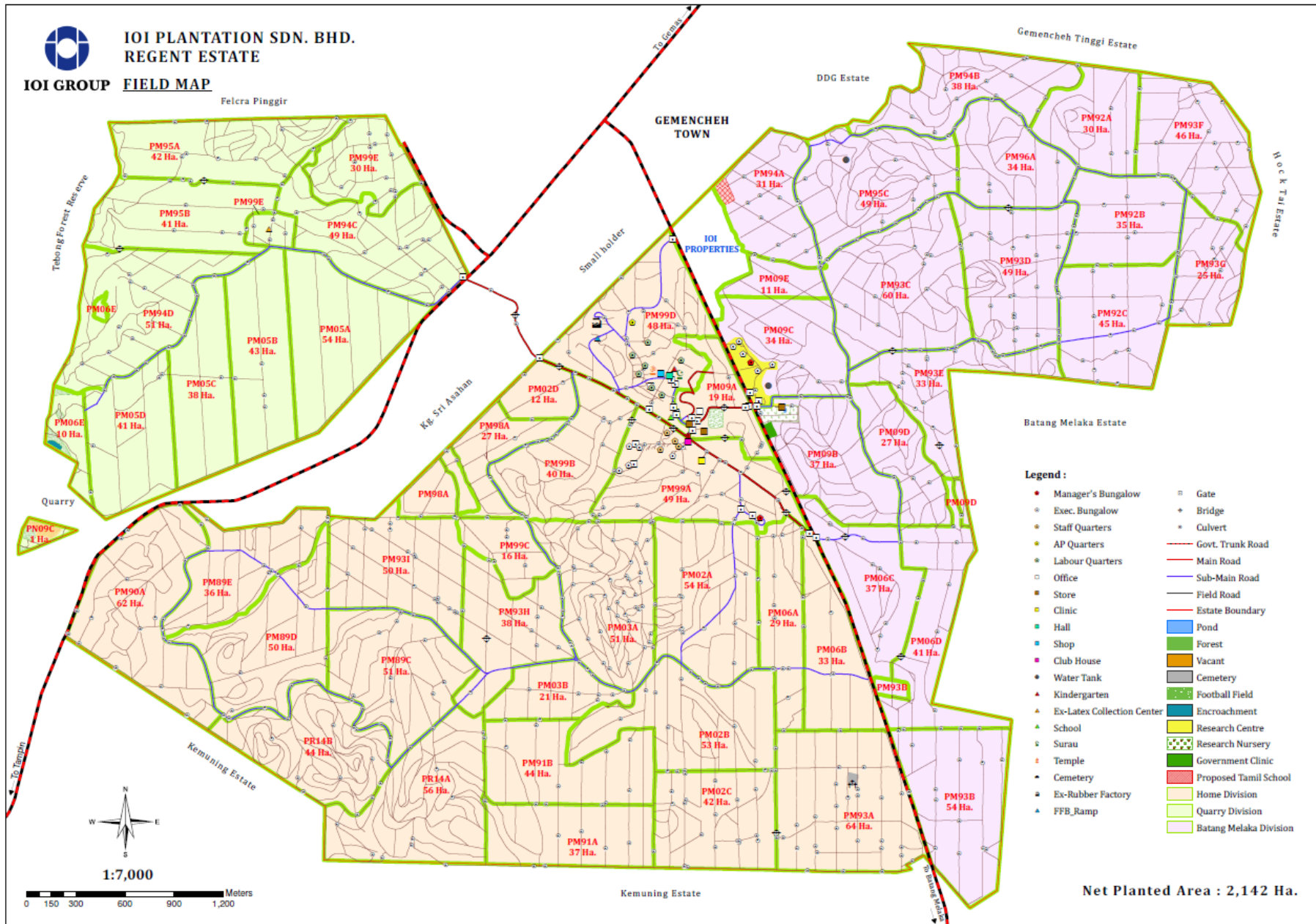




Figure 3: Tambang Estate Layout

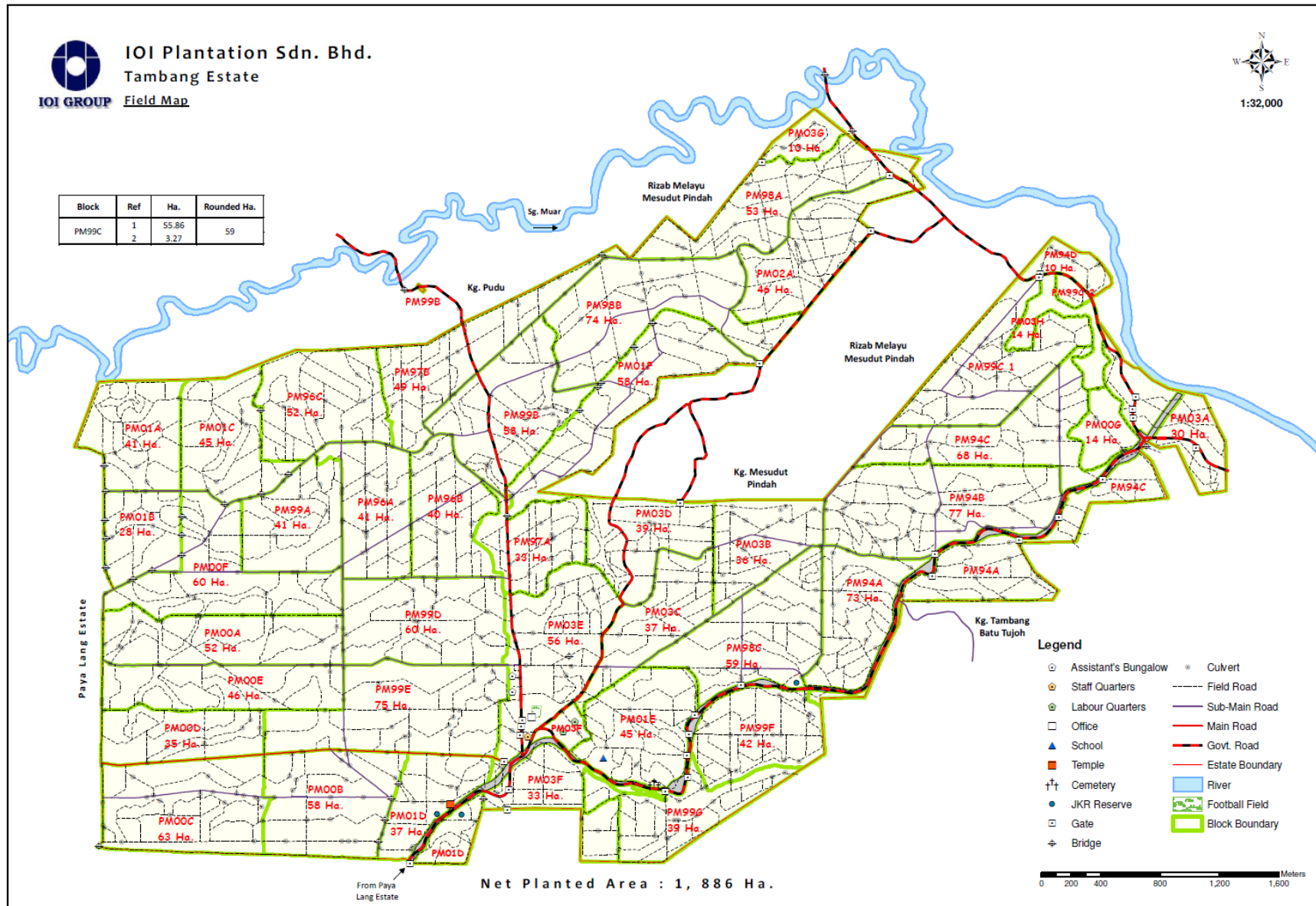
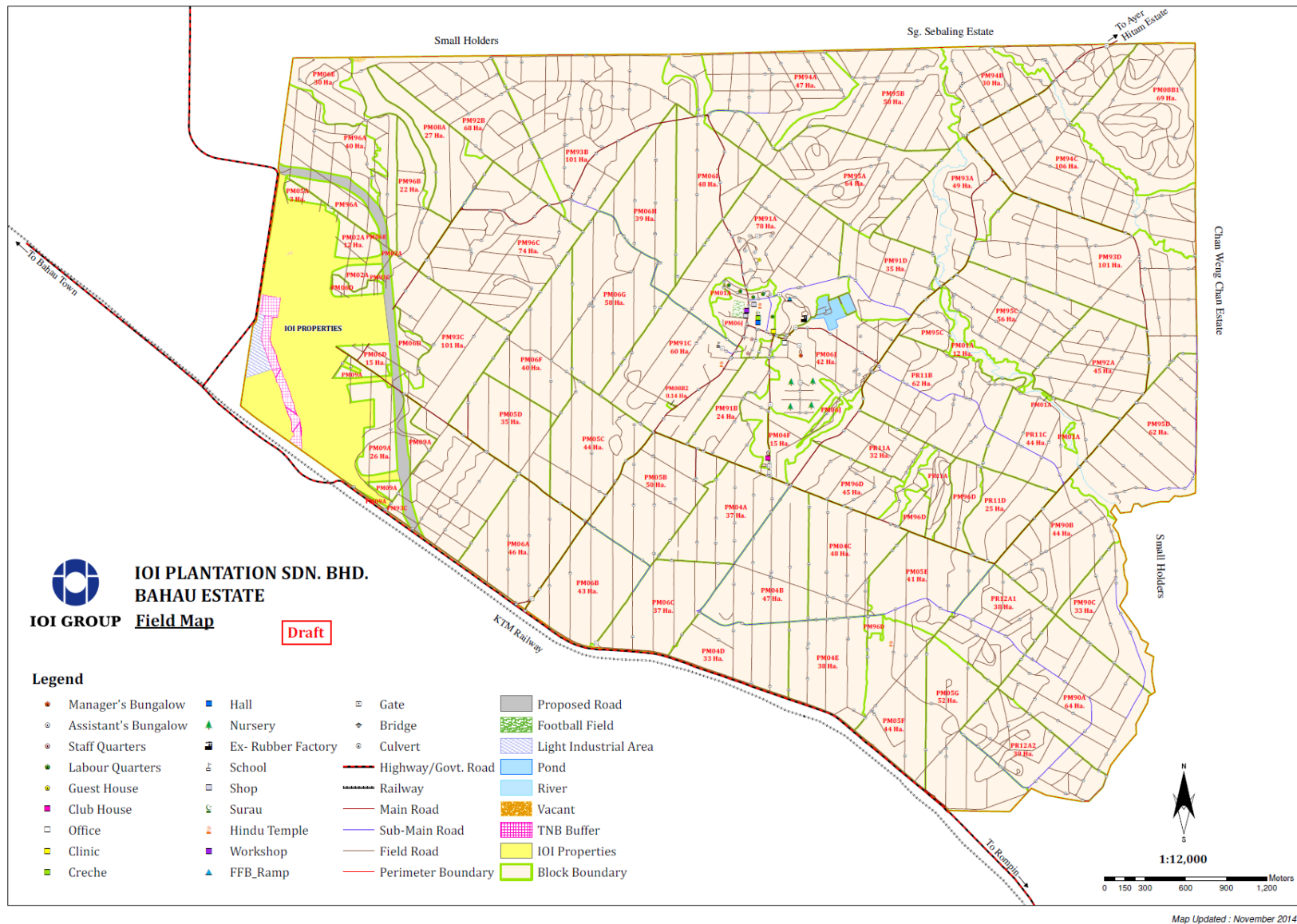


Figure 4: Bahau Estate Layout



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

The FFB is sourced from 11 estates which are directly managed by IOI Gomali. The OER rate is 21.75%. The budgeted crop yields from each estate are listed in Table 2 below.

**Table 2: Actual and Projected FFB from Supply Base**

Estates	FFBs (Tonnage)		
	Last projected (July 14– June 15)	Actual (July 14– June 15)	Projection (July 15– June 16)
Gomali estate	49440	35508.05	46640
Paya Lang estate	38580	24383.42	39040
Tambang estate	52790	37896.73	49090
Sagil estate	66740	55658.08	60430
Bahau estate	79170	51960.78	71580
Kuala Jelai estate	16470	12282.56	16800
Bertam estate	16040	13369.77	11980
Jasin Lalang estate	37950	36266.64	35080
Regent estate	55720	42592.98	55110
Bukit Dinding estate	36780	31540.77	35360
Sembilan Tani estate (associated outgrower)	3700	2450.50	2600
<b>Total Certified production</b>	<b>453380</b>	<b>343910.28</b>	<b>423710</b>

**Table 3: Actual and Projected Mill Processing Data**

Mill	Mill Production Figures (MT)					
	Last Projected (July 14–June 15)		Actual (July 14 –June 15)		Projection (July 15–June 16)	
	CPOs	PKs	CPOs	PKs	CPOs	PKs
POM	96330	24915	73424.89	18419.91	92415	23295
	OER:21.25 %	KER:5.50%	OER:21.31%	KER:5.35%	OER:21.75%	KER:5.50%

### 1.5 Area of Plantation

The areas of supplying estates for this operating unit are listed in Table 4. Details of planted area (mature/immature), total land area, conservation, HCV and others are also listed

**Table 4: Area Statement of the Supplying Estates**

Name of estate	Title area (ha)	Plantation area				
		Immature (ha)	Production (ha)	Conservation (ha)	HCV (ha)	*Others
Gomali estate	2554.27	254	1943	-	0.8	198.47
Paya Lang estate	2473.97	128	1859	4.0	2.5	148.47
Tambang estate	2011.32	65	1821	-	5.93	119.39
Sagil estate	2547.02	22	2155	-	10	360.02
Bahau estate	3028.24	-	2651	-	2.5	374.74
Kuala Jelai estate	679.26	-	634	-	7.19	38.07
Bertam estate	448.80	-	413	-	-	35.80
Jasin Lalang estate	1569.67	144	1349	-	-	76.67
Regent estate	2300.86	103	2040	-	1.15	156.71
Bukit Dinding estate	1668.5	-	1443	-	0.5	225
Sembilan Tani estate	263	5	258	-	-	-
<b>Total</b>						
<b>*Others : Transmission tower, Quarry, Roads, line site, rives, water catchment area, office building ,etc</b>						

### 1.6 Date of Planting and Cycle

The age profile of the palms is shown in Table 5. The areas of mature and immature palms are detailed in Table 5 for each of the estates. Immature is the replanting area. A replanting program for all estates involved are available and being projected for the next five (5) financial years (FY2015 to FY2020).

**Table 5: Planting Age Profiles for all Supply Base Estates**

Name of supplying estate	Immature (below 3 years)	Planting Age (Ha)			
		< 3 years to > 6 years	< 7 years to > 10 years	< 10 years to > 15 years	> 15 years and above
Gomali estate	254	298	13	1391	241
Paya Lang estate	128	780	-	823	256
Tambang estate	65	-	-	885	936
Sagil estate	22	102	246	108	1699

Bahau estate	-	265	754	238	1394
Kuala Jelai estate	-	184.00	323.00	127.00	-
Bertam estate	-	-	-	413	-
Jasin Lalang estate	144	305	-	-	1044
Regent estate	102	129	151	408	1353
Bukit Dinding estate	-	427	-	795	221
Tani Maju estate	5	13	80	-	165
<b>Total</b>	720	2503	1567	5188	7309

### 1.7 Other Certification Held

Gomali Mill is one of the operating units of IOI Group's Plantation Division which received the International Standard for Carbon Certification (ISCC) for complying with the ISCC System GmbH certification system.

### 1.8 Organizational Information and Contact Person

The company contact person details are as follows:

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

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

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

IOI Corporation Berhad owns and operates production units (oil mills) and 11 oil palm estates covering an area of 158,000 ha in Malaysia and Indonesia. IOI Corporation Berhad has developed a time-bound plan (**Appendix C**) for the phased implementation of the RSPO P&C, commencing in year 2008. 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 the RSPO Executive Board 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 29<sup>th</sup> June 2015 – 2<sup>nd</sup> July 2015 audit days and involving 3 estates of IOI Gomali. 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 level of sampling to take place during a certification assessment shall include every mill and be based on a minimum sample of  $0.8\sqrt{y}$  where y is the number of management sub-units. During the site assessment, the sample size of IOI Gomali shall be determined by the formula  $(0.8\sqrt{11}) = 2.65$  round up to 3. The estates have been sampled for audit, namely: Tambang, Regent, Bahau besides Gomali palm oil mill.

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 Program**

Date	Time	Auditor	Area / Department / Process / Function	Key Contact
29 <sup>th</sup> June	1300	HBH, KFC JO	Arrive at Gomali POM Introduction & Safety Presentation Presentation by IOI Gomali Opening presentation by SGS(M) Sdn Bhd Audit planning and Scheduling	Mr Ravi Tony
	1400		Gomali Palm Oil Mill Audit HBH -Supply Chain – IP -DATA COLLECTION AND UPDATE -PRINC 1-4, 8 JO / KFC – Princ 4,5,6 Mill – Good Milling Practices Mill Projects -Geo-tube -Activated Carbon Document review : -Legal and regulatory compliances -Environmental compliances – POME, Stack , Palm Residues, Scheduled Waste , workshop , first adit Kit -OSH compliances – high noise , confined space, fire drill , audiometric test	

Date	Time	Auditor	Area / Department / Process / Function	Key Contact
			Interview workers, union reps , JCC Reps, Gender	
	1730		Presentation of Gomali POM Interim Findings -RSPO SC -RSPO P&C End of Day 1 Audit	
30 <sup>th</sup> June	0630		Breakfast	
	0800		Arrive at Paya Lang Estate to park vehicles	
	0830	HBH, KFC, JO	Travel to Estate 'Tambang' audit  HBH– Principle 1-4, Principle 8 Principle 4 – Good Agricultural practices – Harvesting, IPM, Weeding, Road Maintenance , Erosion Control, Boundary Marking, , Buffer zone along rivers/streams, Replant area , Boundary stone or marker  KFC/JO– Principle 4, 5, 6 – Internal Stakeholder interview: - workers in the field. Worker representatives, Gender committee, clinic, Pay slip, Worker's Employment Contract, Passport Principle 5 Environmental e.g. workshop & P.O.L, Scheduled Waste, empty containers), Domestic Waste disposal & landfill, Housing & amenities Storage site (Agrochemical, Fertiliser, PPE, emergency shower, Pre-mix area, Housing, Linesite and amenities  KFC/JO – Interview neighboring Stakeholders	Ravi , Gomali RSPO Team & Estate ' Paya Lang ' personnel
	1300		Break / Rest / Lunch	
	1400		Documentation at Tambang Estate Back for document review at Estate 'A 'Office (Training, Safety and Workers meetings, contract, Risk Assessment, Insurance, Complain & Grievance Records, IPM, fertilizer and chemical records, medical surveillance)  Presentation of Findings of Estate Tambang End Day 2 Audit	All
1 <sup>st</sup> July	0800	JO/HBH/KFC	Travel to Bahau Estate  HBH– Principle 1-4, Principle 8 Principle 4 – Good Agricultural practices – Harvesting, IPM, Weeding, Road Maintenance , Erosion Control, Boundary Marking, , Buffer zone along rivers/streams, , Boundary stone or marker	Mr Ravi, IOI Sustainability Team * Estate personnel

Date	Time	Auditor	Area / Department / Process / Function	Key Contact
			<p>Housing Project</p> <p>KFC/JO –Principle 4,5, 6 - Stakeholder interview: - workers in the field. Worker representatives, Gender committee, clinic, Pay slip, Worker’s Employment Contract, Passport</p> <p>Principle 5 Environmental e.g. workshop &amp; P.O.L, Scheduled Waste, empty containers), Domestic Waste disposal &amp; Dumpsite I, Housing &amp; amenities</p> <p>Storage site (Agrochemical, Fertiliser, PPE, emergency shower, Pre-mix area,</p> <p>Housing, Linesite and amenities</p> <p>KFC/JO – Interview neighbouring Stakeholders , HA e.g Estates , smallholders</p>	
	1300		Lunch / Break / Rest	
	1400	All	<p>Documentation at Bahau Estate</p> <p>-Training,</p> <p>-Safety meetings</p> <p>-JCC/Workers meetings,</p> <p>Contract,</p> <p>2nd July OSH and Environment, Risk Assessment , Insurance ,</p> <p>Complain &amp; Grievance</p> <p>Records, IPM, fertilizer and chemical records, medical surveillance)</p>	Estate Bahau Personnel
	1730		<p>Presentation of Findings of Bahau Estate</p> <p>End Day 3 Audit</p>	
2 <sup>nd</sup> July	0700		<p>Travel from Bahau to Regent Estate,</p> <p>Batang Melaka,</p> <p>Gemencheh</p>	
	0830	JO/HBH/KFC	<p>KFC/JO– Principle 4, 5, 6 - Stakeholder interview: - workers in the field. Worker representatives, Gender committee, clinic, Pay slip, Worker’s Employment Contract, Passport</p> <p>Principle 5 Environmental e.g. workshop &amp; P.O.L, Scheduled Waste, empty containers), Domestic Waste disposal &amp; Dumpsite , Housing &amp; amenities</p> <p>Storage site (Agrochemical, Fertiliser, PPE, emergency shower, Pre-mix area,</p> <p>Housing, Linesite and amenities</p> <p>HBH– Principle 1-4, Principle 8</p> <p>Principle 4 – Good Agricultural practices –</p>	Mr Ravi, IOI Sustainability Team * Estate personnel



Date	Time	Auditor	Area / Department / Process / Function	Key Contact
			Harvesting, IPM, Weeding, Road Maintenance , Erosion Control, Boundary Marking, , Buffer zone along rivers/streams, , Boundary stone or marker	
	1200		Lunch Break/ Rest	
	1300		Documentation at Bahau Estate -Training, -Safety meetings -JCC/Workers meetings, Contract, OSH and Environment, Risk Assessment, Insurance, Complain & Grievance Records, IPM, fertilizer and chemical records, medical surveillance)	
	1500		Preparation of Summary of audit of IOI Gomali	
	1630		Closing Meeting Presentation of Findings for IOI Gomali against P&C –MYNI 2014 & RSPO SC 2014 Recommendation Question & Discussion Day 4 – End of Audit	
	1730		Travel back to Kuala Lumpur – Auditors	

**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: Auditors Profile**

Evaluation Team	Notes
<b>Team Leader- Agriculture best practices &amp; social</b>	James S H Ong, a Bachelor of Agriculture Science holder and agronomist in SGS (M) Sdn Bhd. He has many years working experience in agriculture sector in Malaysia and has been working in estates as well in the agrochemical and fertilizer industry. He is well versed with agrochemical and fertilizer applications. Has undergone ISO 14001 and RSPO Lead Auditor training for both P&C as well as the Supply Chain and has already been involved in RSPO and ISCC certification audits since 2010.

<b>Supporting Auditor 1 – Safety &amp; Health and Social</b>	Kam Foo Chi, training manager for SGS Academy, completed the lead auditor course for SA, a qualified lead auditor for Social audit program for SMETA, Unilever responsible sourcing. He is also a certified IRCA lead auditor for environment, and Health & Safety. He has been in these fields for more than 10 years.
<b>Auditor 2 – Legal, Environment &amp; Supply Chain</b>	Hoo Boon Han is the SGS SEAP Program Coordinator, Bio Fuels Sustainability. He has successfully completed the RSPO Lead auditor training course for both P&C as well as the Supply Chain. He is experienced in environmental monitoring & audit, carbon accounting & reduction, wastewater treatment, waste management and sustainable development experience

**2.4 Stakeholder Consultation and List of Stakeholders Contacted**

Notification for the recertification published on 1 June 2015 on RSPO and SGS website. 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.

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 Gomali 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 E** 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 **two (2)** Major Non-conformities identified during this assessment. Some areas identified with potential areas for improvement has leaded into **seven (7)** Observations raised. Details for each Non-conformities and observations are given in **Appendix C**. Major Non-conformities has been closed out within the period of 60 days after the assessment. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months after the RSPO approval of Main Assessment.

<b>Principle 1: Commitment to Transparency</b>				
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.				
1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	<i>Minor</i>		
<b>Findings</b>	In compliance:	Yes:	x	No:
<b>Objective evidence:</b>	IOI Gomali maintains a filling system with records of request for information and the respond. The procedures “Stakeholder Request- Corporate Level” and “Stakeholder Request- Mill Level”			

	<p>were reviewed on 25th May 2015. All requests were responded within 5 working days.</p> <p>A list of stakeholder is available including contractor, transporters, government department &amp; agencies and respective estate stakeholders.</p> <p>Records are held in a register of all requests for information and any information required by stakeholders is made available if possible.</p> <p>For the POM, Mr Chai Tian Siang (mill manager) and Mr Muhammad Uzair(Social Liaison Officer) is the person in charge for the record and respond to the request.</p> <p>Stakeholder consultation meeting conducted on 21 Mei 2015 and the meeting minutes were made available during assessment. Positive and negative issues were discussed during the meeting.</p>	
1.1.2	Records of requests for information and responses shall be maintained.	Major
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Records of responses to that information request were maintained and traceable. All complaints were responded within 5 working days. All the complaint/ grievances will be recorded in a book. One of the latest issues received on 07 May 2015 regarding the social issue which involve the worker's family issue. The action taken was recorded on 10 April 2015.</p> <p>The estate and mill hold a copy of the procedures "Stakeholder Request- Corporate Level" and "Stakeholder Request- Mill Level" which reviewed on 25<sup>th</sup> May 2015.</p> <p>For example,</p> <ul style="list-style-type: none"> <li>a. Request for POME solid dated 7 April 2015 by SK. Mensudut Pindah</li> <li>b. Request for EFB dated 30 January 2015 by SMK Seri Mahkota Kelantan</li> </ul> <p>In addition to the procedures described above, the complaint and grievances complaint book made available in every estate and mill office to enable stakeholder to made complaint. Please refer to C6.3 for further details.</p> <p>In Tambang estate, record of correspondence between stakeholder and the estate are well maintained. For example:</p> <ul style="list-style-type: none"> <li>a. Request for road access to Felda Palong Timur dated 22 January 2015</li> <li>b. Request for donation by Sekolah Kebangsaan Tambang dated 22 April 2015</li> </ul>	
<b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
1.2.1	Land titles / user rights (C 2.2)	Major
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Land title copies are available at the estate and in the original copies are kept in the head office.	
1.2.1	Occupational health and safety plans (Criterion 4.7);	Major
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Policy and HIRAC documented for the mill and estate.</p> <p>The Occupational health and safety plans was reviewed on 28<sup>th</sup> April 2015</p>	
1.2.1	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);	Major
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The continual improvement plans for environmental, safety and health has been established for July 2012 to July 2015. The plan will be reviewed annually as below:</p> <ul style="list-style-type: none"> <li>a. Environmental- Reviewed on 10<sup>th</sup> June 2015</li> <li>b. Health and Safety- Reviewed on 28<sup>th</sup> April 2015</li> <li>c. Social- Reviewed on 17 June 2015</li> </ul>	
1.2.1	HCV documentation summary (Criteria 5.2 and 7.3);	Major
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective</b>	The HCV assessment conducted back in 24 August 2009 by the sustainability team of IOI.	

<b>evidence:</b>	HCV assessment done by the IOI sustainability team indicated that only HCV 4 (mosque & temple) & HCV 6 with no RTE species presence.			
1.2.1	Pollution prevention and reduction plans (Criterion 5.6);			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	<p>The oil mill implements POME as land application as per the approved schedule.</p> <p>Electricity generation for mill operation produced from steam turbine/ boiler where shell and fibre used as burning source [renewable energy].</p> <p>In mill, continuous desludging of POME by using Green Tube to minimize solids to the minimum level and thus is reducing the frequency of desludging for the ponds and trenches.</p> <p>Reduce the dependency on diesel for electricity generation by replacing electricity supply from TNB.</p>			
1.2.1	Details of complaints and grievances (Criterion 6.3);			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	<p>Grievance reporting flow chart was sighted in office of the mill and estate.</p> <p>Action found to be appropriately implemented and recorded in the log book.</p>			
1.2.1	Negotiation procedures (Criterion 6.4);			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	A system to resolve land disputes is documented "Grievance procedure for land owner issues" reviewed on 25 <sup>th</sup> May 2015 is available.			
1.2.1	Continual improvement plans (Criterion 8.1);			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	<p>The continual improvement plans for environmental, safety and health has been established for July 2012 to July 2015. The plan will be reviewed annually as below:</p> <p style="margin-left: 40px;">a. Environmental- Reviewed on 10<sup>th</sup> June 2015</p> <p style="margin-left: 40px;">b. Health and Safety- Reviewed on 28<sup>th</sup> April 2015</p> <p style="margin-left: 40px;">c. Social- Reviewed on 17 June 2015</p>			
1.2.1	Public summary of certification assessment report;			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	Public summary of certification assessment report and their status are made publicly available as per RSPO procedure.			
1.2.1	Human Rights Policy (Criterion 6.13)			<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	Human Right Policy is available which signed by Head of Sustainability- Mr Too Heng Liew dated 11 May 2015. It display in the Gomali mill and respective office as well as on the website. The policy statement has been communicated to all levels of employees and all employees with the aim of mitigating the risks if impacting on the human rights of others and remediates the impacts.			
<b>Criterion 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.				
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.			<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<b>Objective evidence:</b>	<p>The company hold a policy "Code of Business Conduct &amp; Ethics" which signed by the Head of Sustainability- Mr Too Heng Liew on 11 May 2015.</p> <p>It has been communicated to all level by displaying at the Gomali Mill office as well as on the website (<a href="http://www.ioigroup.com/content/CI/Corp_codebusiness">http://www.ioigroup.com/content/CI/Corp_codebusiness</a>). The policy described the major guidelines such as:</p>			

- a. Core values,
- b. Fairness,
- c. Work environment and employment
- d. Environment, safety, health and security
- e. Company assets and information
- f. Management and security
- g. Data privacy
- h. Dealing with conflicts of interest
- i. Communicating with the public
- j. Financial accounting and reporting accuracy

Interviewed the workers and confirmed that they well aware of the policy.

## 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. *Major*

**Findings** In compliance: Yes:  No:

**Objective evidence:** At the time of recertification Audit, the audit team observed that copies of legal documents are available with the compilation of a list of applicable laws and regulations at both mill and estate levels. Examples of files/legal documents/licenses verified during the Audit are as follows:

No.	Details	Validity
1.	MPOB licence 500117204000 for producing, process and transporting FFB for Dynamic Plantation Berhad	01 Feb 2015 to 31 Jan 2016
2.	Certificate of Fitness for Back pressure Steam receiver (Gomali POM) – Certificate No. JH PMT 13505	01 June 2016
3.	Certificate of Fitness for Sterilizer (Gomali POM) – Certificate No. JH PMT 13506	01 June 2016
4.	Certificate of Fitness for Steam Separator (Gomali POM) – Certificate No. JH PMT 95052	01 September 2015
5.	Certificate of Fitness for Air Receiver (Gomali POM) – Certificate No. JH PMT 1730	01 June 2016
6.	Department of Environmental License for clean air, schedule waste and CPO Mill- Certificate no. 002103	1 July 2014- 30 Jun 2015
7.	Scheduled Control Permit ( <i>Permit Barang Kawalan Berjadual</i> ) for Purchase and Storage of Diesel for Gomali Mill: - No. Permit: J009786	21 May 2015 – 21 May 2016
8.	Scheduled Control Permit ( <i>Permit Barang Kawalan Berjadual</i> ) for Storing of Diesel for Regent Estate:- NS/SK 03/1991- N008681	07 Oct 2014 to 06 Oct 2015
9.	MPOB licence 586619002000 for producing and transporting FFB for Regent Estate	1 July 2015- 30 June 2016
10.	MPOB licence 509491002000 for producing and transporting FFB for Tambang Estate	24 July 2014 to 30 June 2015
11.	Scheduled Control Permit ( <i>Permit Barang Kawalan Berjadual</i> ) for Storing of Diesel, Petrol & Fertilizer for Bahau Estate:- PPDNKK (KP) 05/709/P/1999/20 No. Permit: M 004742	17 April 2015 to 16 April 2016
12.	MPOB licence 589082011000 for producing and transporting FFB for Bahau Estate	07 Oct 2014 to 30 Sep 2015
13.	Scheduled Control Permit ( <i>Permit Barang Kawalan Berjadual</i> )	08 Dec 2014 to 07

	for Storing of Diesel for Tamabang Estate:- (12)JH(SGT)0141/08PSK No. Permit: J 009821	Dec 2015			
Gomali Palm Oil Mill has 2 boilers.					
<b>Item</b>	<b>Description of machinery/installation</b>	<b>Machinery Department current Reg. No.</b>	<b>Date of expiry current Cert. Of Fitness</b>	<b>Date of Commission</b>	<b>Date of Cleaned. Inspected or Tested</b>
1	EMPIRE BI-DRUM WATERTUBE BOILER (40mT/Hr)	PMD 14243	01/09/2016	06/08/1997	01/06/2015
2	MECHMAR BOILER (45mT/Hr)	PMD 14575	01/06/2016	17/05/2000	02/03/2015
The auditors sighted the Quarterly Return Form at the mill during the audit.					
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	Documented system including written information on legal requirements is available. Observed that the list of laws highlighted within the standard are kept within a file that was recently reviewed on May 2015.				
2.1.3	A mechanism for ensuring compliance shall be implemented.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	As described above the mechanism of tracking the changes of laws is contained in the IOI File entitled License/Permit/Regulation/ Guidelines. The person 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 the document: "Senarai Semak Pematuhan Syarat Lesen" Gomali Palm Oil Mill which is used to check on compliance to Regulations  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>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	For the changes of laws, the company will refer to as below: a. News release through daily newspaper b. Law change tracked by book publisher c. Circulars from relevant association e.g: MPOA, MPOB and MAPA.  Currently, the person/team responsible for monitoring the changes and communicating it to the Group remains the 'Sustainability Team' who carries out internal audit for each estate and mill. In practice the team will conduct the following task:  <ul style="list-style-type: none"> <li>To evaluate the effect of change of laws;</li> <li>To assess current practices and suggest changes to be submitted to Senior Management (Group Plantation Director &amp; Assistant general Manager)</li> </ul> Each estate updates the list of relevant laws and regulations that are required to maintain various legal permits.				
<b>Criterion 2.2:</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.					
2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be				<i>Major</i>

	available.	
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Copies of land titles for all estates were sighted. The original copy kept in the head quarters of IOI located in Putrajaya, Kuala Lumpur.  The legal use of land was confirmed without any restriction. It is now used for the cultivation of oil palm.	
2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	In Tambang estate, auditor verified boundary stone available at the block 15A bordering the smallholder: GPS: N02°38.854'; E102°45.261'.  Interviewed with the head of village from Kampung Sepang Loi and smallholder confirmed that there is no land conflict between the estate and the smallholders.	
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	IOI Gomali does not have any land disputes. But a system to resolve land disputes is documented in procedures "Grievance procedure for land owner issues" reviewed on 25 <sup>th</sup> May 2015 is available.	
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	IOI Gomali does not have any land disputes. But a system to resolve land disputes is documented in procedures "Grievance procedure for land owner issues" reviewed on 25 <sup>th</sup> May 2015 is available.	
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	IOI Gomali does not have any land disputes. But a system to resolve land disputes is documented in procedures "Grievance procedure for land owner issues" reviewed on 25 <sup>th</sup> May 2015 is available.	
2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	IOI Gomali does not have any land disputes. But a system to resolve land disputes is documented in procedures "Grievance procedure for land owner issues" reviewed on 25 <sup>th</sup> May 2015 is available.	
<b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal, customary or users rights of other users without their free, prior and informed consent.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Currently, there are no claims on legal or customary rights exist for the estate. Customary use of land for community purposes have been identified either on map or on the actual grounds (eg: places of worship, burial grounds, and archaeological site) and maintained.	

2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Currently, there are no claims on legal or customary rights exist for the estate. However, for those estates bordering the smallholders, the company has taken action to properly demarcate the area on maps and on the ground.	
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Currently, there are no claims on legal or customary rights exist for the estate. However, for those estates bordering the smallholders, the company has taken action to properly demarcate the area on maps and on the ground.	
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Currently, there are no claims on legal or customary rights exist for the estate. However, for those estates bordering the smallholders, the company has taken action to properly demarcate the area on maps and on the ground.	

### 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>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	In the sampling estate, 5 year management plan the annual budget with a 5 years of projection is available covering a period from 2014/2015 to 2018/2019 that specifies the following activities/elements: <ul style="list-style-type: none"> <li>• Area statement;</li> <li>• Crop (FFB) by Year of Planting;</li> <li>• Crop (FFB) Monthly Breakdown;</li> <li>• 10 years Replanting Programme;</li> <li>• Summary Replanting programme</li> <li>• Detail Replanting programme by field</li> <li>• Executive/Staff and Workers Requirement;</li> <li>• Mature Oil Palm Costing Statement;</li> <li>• General Chargers Statement;</li> <li>• Capital Expenditure Statement; and</li> <li>• Summary replanting cost to maturity</li> <li>• Replanting cost field by field</li> <li>• Summary of chemical usage</li> </ul>	
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	



<b>Objective evidence:</b>	<p>Replanting Programme is captured within the 5 year Management Plan that indicates the scheduled replanting programme revised on June 2015 in respective estate.</p> <p>Details of Replanting Programme for the supplying estates are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="6">Area (ha)</th> </tr> <tr> <th>2015/2016</th> <th>2016/2017</th> <th>2017/2018</th> <th>2018/2019</th> <th>2019/2020</th> <th>2020/2021</th> </tr> </thead> <tbody> <tr> <td>Tambang</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>160</td> <td>-</td> </tr> <tr> <td>Bahau</td> <td>-</td> <td>197</td> <td>169</td> <td>381</td> <td>228</td> <td>240</td> </tr> </tbody> </table>	Estate	Area (ha)						2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	Tambang	-	-	-	-	160	-	Bahau	-	197	169	381	228	240
Estate	Area (ha)																											
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021																						
Tambang	-	-	-	-	160	-																						
Bahau	-	197	169	381	228	240																						

<b>Principle 4: Use of Appropriate Best Practices by Growers and Millers</b>						
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.						
4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The Standard Operating Procedures (StOPs) for estates and mill are documented and maintained</p> <p>StOP for mill specifies the following procedures:</p> <ul style="list-style-type: none"> <li>• General regulation for POM Operations;</li> <li>• Receiving of FFB;</li> <li>• Loading Ramp ( Ch. 2 )</li> <li>• Sterilizer; ( Ch. 3 )</li> <li>• Threshing Station; ( Ch 4 )</li> <li>• Pressing Station; ( Ch 5 )</li> <li>• Depericarper Station; ( Ch. 6 )</li> <li>• Nut &amp; Kernel Plant; ( Ch. 7 )</li> <li>• Oil Room Station; ( Ch. 8 )</li> <li>• Boiler Station; ( Ch. 9 )</li> <li>• Engine Room Station; ( Ch. 10 )</li> <li>• Laboratory; ( Ch. 11 )</li> <li>• Water Treatment Plant; ( Ch 12 )</li> <li>• Shovel; ( Ch. 13 )</li> <li>• Effluent Treatment Plant; ( Ch. 14 ) and</li> <li>• Workshop. ( Ch. 15 )</li> </ul> <p>GPOM has also documented the RSPO Supply Chain Standard into their SOP</p> <p>For the estates audited, the Group Standard Operating Procedure (STOPs) and the Agriculture Manual was sighted. The following procedures were sighted:</p> <ol style="list-style-type: none"> <li>a) Group SOP for Oil Palm D X P Production ( 2007 )</li> <li>b) Group SOP for Oil Palm for oil Palm Density</li> <li>c) Group SOP for Oil Palm for Pre- Nursery Seedling</li> <li>d) Group SOP for Oil Palm for Large Polybag Nursery</li> <li>e) Group SOP for Oil Palm for land Preparation ( New planting and replanting )</li> <li>f) Tidal gates</li> <li>g) Planting technique</li> <li>h) Leguminous cover plant</li> </ol>					

	<p>i) Manuring for immature and mature palms and Wheelbarrow , buffalo and semi-mechanised fertiliser application</p> <p>j) EFB Mulching</p> <p>k) Fertiliser sampling</p> <p>l) Weeding</p> <p>m) Integrated Management of</p> <ul style="list-style-type: none"> <li>- rat control</li> <li>- bagworm and nettle caterpillar</li> <li>- rhinoceros beetle</li> <li>- bunch moth, valanga, bunch moth, Termite, elephant, porcupine</li> <li>- Integrated Ganoderma control</li> </ul> <p>n) Pest and disease control</p> <p>o) Monitoring FFB Harvesting and quality</p> <p>p) Pruning</p> <p>q) Ablation during immature stage</p> <p>r) Responsibilities of Plantation Management Team</p> <p>s) Road Maintenance;</p> <p>t) Workshop &amp; Vehicle maintenance</p> <p>u) Buffalo maintenance and healthcare ( 2012 )</p> <p>v) Buffalo assisted Harvesting (2012 )</p> <p>w) Foliar sampling</p> <p>IOI Corporation Bhd (Plantation Division)'s OSH Manual was revised and distributed to all estates and mills on 1st Aug 2012. One of the main compositions of this manual is: Competency and Training Appendix 6 which has a total of 38 Safe Operating Procedures (SOP)'s for estate operations.</p> <p>Out of the above 38 SOP's, at least 6 cover the handling of pesticides and chemicals eg. Please see SOP No. 9b – Penyembur Racun 8th Jan 2015 (Attachment 3) SOP No. 8 - Management of Chemical Stores, SOP No. 10 - Handling of Highly Toxic Pesticides, SOP No. 11 - Fertilizer Application, SOP No. 12 - Rat Baiting, SOP No. 26 - Premixing of Chemicals</p> <p>SOP's are revised whenever there are changes in processes, material, hazards or when an accident occurs.</p> <p>IOI palm oil mills have a separate total of 21 Safe Operating Procedures (SOP's) for mills. An example is the SOP for "Bekerja Selamat di dalam Ruang Terkurung".</p> <p>The usage of PPE and Permit to Work System is mentioned in the Prosedur Kerja Selamat Am Kilang. Based on the type of risks involved, workers and contractors are required to fill up either:</p> <ol style="list-style-type: none"> <li>1) PERMIT TO WORK for Working in Confined Spaces or</li> <li>2) PERMIT TO WORK for other High Risk Areas</li> </ol>				
4.1.2	A mechanism to check consistent implementation of procedures shall be in place.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	<p>As 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>The workers and operation will be corrected on site.</p> <p>For the estate , a checklist , 'Fertiliser Observation Sheet ' will be filled by a personnel from the Research Centre , during monthly fertiliser application as a mechanism of consistent</p>				

	implementation of procedures																	
	<p>During the audit at Tambang Estate (TBE) , a personnel from the IOI Research Centre , Mohd Zulkifli was sighted doing the fertiliser monitoring.</p> <p>In Bahau Estate (BHE), similarly the personnel from Research Centre will come monthly. The latest personnel, En Zaki came during 9/6/15 for the Borate application @ 100 g per palm.</p> <p>According to the estate manager, they would conduct 'surprise' checks to ensure proper applications.</p> <p>In Regent Estate (RGE), personnel from the IOI Research Centre, located opposite the estate will similarly do surprise check to make sure fertiliser application is done correctly. The last visit was conducted on 15/6/15 for NK and Borate application.</p>																	
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.			<i>Minor</i>														
<b>Findings</b>	In compliance:	Yes:	x	No:														
<b>Objective evidence:</b>	<p>At GPOM, records of monitoring were sighted for operation done during the night shift and this is recorded in the 'Night shift spot check log sheet'.</p> <p>This is done on-the spot basis.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="text-align: left;">Month (2015 )</th> <th style="text-align: left;">No. of log sheet</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>12</td> </tr> <tr> <td>Feb</td> <td>6</td> </tr> <tr> <td>Mar</td> <td>1</td> </tr> <tr> <td>Apr</td> <td>5</td> </tr> <tr> <td>May</td> <td>1</td> </tr> <tr> <td>Jun</td> <td>1 ( 4/6/15 )</td> </tr> </tbody> </table> <p>The log sheet will record</p> <ul style="list-style-type: none"> <li>a) Workforce checklist</li> <li>b) Mill &amp; Process control <ul style="list-style-type: none"> <li>- Main gate seal</li> <li>- Marshalling</li> <li>- Steriliser</li> <li>- Hoist bay</li> <li>- Empty Buch press</li> <li>- Press Station</li> <li>- Nut &amp; kernel Plant</li> <li>- Oil Clarification</li> <li>- Boiler</li> <li>- Engine Room</li> </ul> </li> </ul> <p style="color: red;">However it was found that at GPOM, these records of log-sheet monitoring for the day shift operation was not done.</p> <p><b>OBSERVATION 01</b></p> <p>Other records sighted at were the 'Palm Oil Mill Workplace Inspection' that was to be done quarterly. The checklist include:</p> <ul style="list-style-type: none"> <li>- Housekeeping</li> <li>- Access</li> <li>- Machinery Guarding</li> <li>- Welding /Electrical Equipment</li> <li>- Mobile Equipment</li> </ul>				Month (2015 )	No. of log sheet	Jan	12	Feb	6	Mar	1	Apr	5	May	1	Jun	1 ( 4/6/15 )
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	<ul style="list-style-type: none"> <li>- Hazardous material</li> <li>- Handling</li> <li>- Storage</li> <li>- PPE</li> <li>- Emergency Provision &amp; First Aid</li> </ul> <p>Records of the daily boiler operation are also sighted .</p> <p>At the estate level , for example in Tambang estate , the checklist , ' Fertiliser Observation Checklist ' was one of the record used for the proper implementation of fertiliser application as manuring is one of the important input done in the field.</p> <p>Field: PR 15A</p> <p>Ha : 65</p> <p>Date of check: 23/6/15</p> <p>They will check on :</p> <ul style="list-style-type: none"> <li>a) fertiliser application, quantity , type of container use etc</li> <li>b) Supervision</li> <li>c) PPE</li> <li>d) Timing of application e.g weather</li> <li>e) Field condition</li> </ul> <p>Similar fertiliser checklist done for BHE and RGE.</p> <p>In addition, BHE and RGE has another form, 'Field Monitoring Inspection Report for Circles spraying ' that they used to plan for the spraying operation and once the spraying task is completed it is verified that it is done .</p> <p>This is to ensure that the correct chemical and dosage is applied.</p> <p>The 'Daily vehicle inspection checklist' is done for all the vehicles daily to monitor the maintenence of each vehicle or tractor.</p>
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). <span style="float: right;"><i>Major</i></span>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
<b>Objective evidence:</b>	N/A as the Mill does not receive or process third party sources.
<b>Criterion 4.2:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. <span style="float: right;"><i>Minor</i></span>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
<b>Objective evidence:</b>	Evidence of good agricultural practices sighted to in their SOP to manage soil fertility, documented evidences in terms of reports as well as practices sighted in the field visit. For example : <ul style="list-style-type: none"> <li>• the estate undergo annual foliar and soil analysis</li> <li>• Yearly agronomic visit by the IOI Research agronomist to provide agronomic and fertilizer recommendation</li> <li>• Terrace construction along slopes</li> <li>• Spraying of weeds confined to circles and unwanted and noxious weeds</li> <li>• Topographical map available</li> <li>• SOP and records for manuring of immature and mature palms, EFB application and POME application</li> </ul>

	<ul style="list-style-type: none"> <li>Pruned fronds stacked back into the field</li> <li>Avoid bare ground and spraying only on palm circles as well as on problematic weeds</li> </ul>																																																							
4.2.2	Records of fertiliser inputs shall be maintained.	<i>Minor</i>																																																						
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																																																							
<b>Objective evidence:</b>	<p>Records of fertiliser inputs are maintained in the 'Costing Book for Manuring'</p> <p>In Tambang Estate, based on the fertiliser recommendation file , for Field 01D , the fertiliser Rock Phosphate was recommended at 2 kg per palm and equivalent t of 161 bags.</p> <p>In the Costing Book, the following was sighted</p> <p>Date of application : 15/6/15</p> <p>Field: 01D</p> <p>Ha: 37 ha</p> <p>Fertiliser used: ERP</p> <p>Quantity per palm: 2 kg / palm</p> <p>Bags applied: 161 bags</p> <p>Method of application: Manual using a bowl calibrated by the estate personnel.</p> <p>No. of workers: 6 (mandays )</p> <p>Total Costing : RM92.81 / ha</p> <p>Based on the report , Oil Palm Fertiliser Recommendation Report for the Year2015 was sighted: For Field 01D was checked.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Month</th> <th style="text-align: center;">Fertiliser</th> <th style="text-align: center;">Kg/palm</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>NK Mix</td><td>2.5 kg</td></tr> <tr><td>Mar</td><td>SA</td><td>1.5 kg</td></tr> <tr><td>Apr</td><td>MOP</td><td>2.0 kg</td></tr> <tr><td><b>May</b></td><td><b>ERP</b></td><td><b>2.0 kg</b></td></tr> <tr><td>Jul</td><td>SA</td><td>2.0 kg</td></tr> <tr><td>Aug</td><td>MOP</td><td>1 kg</td></tr> <tr><td>Sep</td><td>KIE</td><td>1.50 kg</td></tr> <tr><td>Oct</td><td>Borate</td><td>0.1 kg</td></tr> <tr><td></td><td></td><td></td></tr> </tbody> </table> <p>In BHE, application of NK fertiliser at 2.5 kg in field 05B was sighted as per recommendation. This application was supposed to be done in April but due to delay in fertiliser received application was done in June-July 2015.</p> <p>In RGE, application of fertiliser of NK 2.5 kg was applied in field 05A as per recommendation.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Month</th> <th style="text-align: center;">Fertiliser</th> <th style="text-align: center;">Kg/palm</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>KIE</td><td>1.75 kg</td></tr> <tr><td>Feb</td><td>BRP</td><td>2.25 kg</td></tr> <tr><td>Mar</td><td>NK compact</td><td>2.5 kg</td></tr> <tr><td>Apr</td><td>Borate</td><td>0.1 kg</td></tr> <tr><td><b>Jun</b></td><td><b>NK compact</b></td><td><b>2.5 kg</b></td></tr> <tr><td>Aug</td><td>SA</td><td>2.25 kg</td></tr> <tr><td>Sep</td><td>MOP</td><td>1.75 kg</td></tr> </tbody> </table>		Month	Fertiliser	Kg/palm	Jan	NK Mix	2.5 kg	Mar	SA	1.5 kg	Apr	MOP	2.0 kg	<b>May</b>	<b>ERP</b>	<b>2.0 kg</b>	Jul	SA	2.0 kg	Aug	MOP	1 kg	Sep	KIE	1.50 kg	Oct	Borate	0.1 kg				Month	Fertiliser	Kg/palm	Jan	KIE	1.75 kg	Feb	BRP	2.25 kg	Mar	NK compact	2.5 kg	Apr	Borate	0.1 kg	<b>Jun</b>	<b>NK compact</b>	<b>2.5 kg</b>	Aug	SA	2.25 kg	Sep	MOP	1.75 kg
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4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.	<i>Minor</i>																																																						

<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The Oil Palm Recommendation Report for Year 2015 for Tambang Estate was sighted. It was done by the IOI Plantation Bhd Research Centre Agronomist, Mohd Shazwan Naning. In BHE the agronomists were Mr Tan Teck Hock and Mr Liew Kar Chin. In RGE, the agronomist was Ng Swee Kiat</p> <p>The soil and foliar sampling was carried out in October 2014. Based on the report 40 blocks were sampled. In BHE, sampling was done in Sept 2014. In RGE the sampling was done in Jun-Jul 2014</p> <p>Leaf levels of N, P, K, Mg, Ca and Boron were analysed</p> <p>Yearly the soil sampling was done concurrently with the leaf analysis. A total of 6 blocks (20 % of estate was sampled. Both sampled form the frond heap and palm circles were sampled at 0 – 15cm and 15-45 cm.</p> <p>Based on the records for field 99G, the Org. C% levels are 1.113% and 0.990% for the 0 – 15cm and 15 – 45cm respectively.</p> <p>In BHE the Org C% levels in field 05B are 1.386% and 1.051% for the 0 – 15cm and 15 – 45cm respectively. Sampled was taken from within the palm circle.</p> <p>In RGE the Org C% levels in field 06B analysed are 0.567% and 0.361% for the 0 – 15cm and 15 – 45cm respectively. Sampled was taken from within the frond heap</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.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>In their SOP, the use of EFB as a mulching material is documented.</p> <p>The nutrient recycling strategy include the use of EFB mulching to :</p> <ul style="list-style-type: none"> <li>a) improve the palm growth and oil yield per area</li> <li>b) conserve moisture and soil</li> <li>c) to improve the organic matter % of the soil</li> </ul> <p>Rates of application is recommended at 40 MT / ha . The rate will be double on sandy soils. 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 Tambang estate, application record show that in PM01B, 28 ha, 679 MT was applied .</p> <p>Records of delivery are also kept.</p> <p>Due to the distance from GPOM, BHE and RGE do not receive regular EFB. However other organic materials like pruned fronds are placed back into the field along the frond rows.</p> <p>Please refer to 4.4.3 for POME discharge. It is discharged in fields in Paya Lang Estate under the land irrigation method.</p>	
<b>Criterion 4.3: Practices minimize and control erosion and degradation of soils.</b>		
4.3.1	Maps of any fragile/marginal soils shall be available.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Maps and report of soil type/series are available. This is provided by the IOI Research Centre.</p> <p>In the fertiliser recommendation report , it showed that Tambang having the following soil series :</p> <ul style="list-style-type: none"> <li>a) Batu Anam - Sedimentary soils</li> <li>b) Malacca – Lateritic</li> <li>c) Tavy - Alluvial</li> <li>d) Telemong – alluvial</li> <li>e) Akob – alluvial</li> <li>f) Local Alluvium</li> <li>g) Organic Muck – poorly drained clay textured with decomposed OM ( 10.26 ha )</li> </ul>	

	(a) – (c) occupy 1684.54 ha ( 88.66% ) and (d) –(e) occupy 205.2 ha ( 10.8% ) Soil type for Bahau Estate are : Batu Anam, Malacca, Bungor, Local Aluvium, Merchong, Marang Soil type in RGE are Batang Merbau, Batu Lapan, Bungor, chat, Gajah Mati, Holyrood, Jitra, Kerayong, Lubok Kiat, Malacca, Medang, Padang Besar, Rengam, Tawar, Tebok, Terap.										
4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP.	<i>Minor</i>									
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>										
<b>Objective evidence:</b>	Under the Section 4.0 of the Oil Palm Agricultural Policy : Soil Conservation and Terracing , it document the classification of slopes and the requirement for the management strategy for plantings on slopes a) Requirement of Flat Terrain b) Requirement of Steep Slope c) Requirement on very steep slope Based on the topography maps , there are no >25° in TBE, BHE and RGE										
4.3.3	A road maintenance programme shall be in place.	<i>Minor</i>									
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>										
<b>Objective evidence:</b>	The road maintenance programme is in place In the expenditure account till May 2015, the following was recorded in the budget-expenditure of Tambang Estate :										
	<table border="1"> <thead> <tr> <th>TBE</th> <th>Estimate ( RM )</th> <th>Till May 2015 ( RM )</th> </tr> </thead> <tbody> <tr> <td>Code PM 07- Roads - Grading , Resurfacing, Roadside and Cross Drains, Pruning Overhanging branches</td> <td>76,392</td> <td>27,003</td> </tr> <tr> <td>Code PM 10 – Bridges and Culverts</td> <td>40,000</td> <td>1,300</td> </tr> </tbody> </table>		TBE	Estimate ( RM )	Till May 2015 ( RM )	Code PM 07- Roads - Grading , Resurfacing, Roadside and Cross Drains, Pruning Overhanging branches	76,392	27,003	Code PM 10 – Bridges and Culverts	40,000	1,300
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Code PM 07- Roads - Grading , Resurfacing, Roadside and Cross Drains, Pruning Overhanging branches	61,953	48,353									
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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.	<i>Major</i>									
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>										
<b>Objective evidence:</b>	Based on the soil amp no peat soils are identified.										
4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.	<i>Minor</i>									
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>										
<b>Objective evidence:</b>	Not relevant as no peat are found in the estates visited. On some of the poor soils like organic/muck, field drains are constructed so that during the rainy season, the palms do not get flooded.										

4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils).	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Based on the soil amp no peat soils are identified.	
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.		
4.4.1	An implemented water management plan shall be in place.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Water Management Plan for Gomali Production Unit (covering both Mill and Estates) reviewed on 1<sup>st</sup> June 2015 are available specifying the following:</p> <ol style="list-style-type: none"> <li>1. Introduction;</li> <li>2. Operating Units;</li> <li>3. Identification of Physical System for Water Management;               <ol style="list-style-type: none"> <li>3.1. Water Management Plan for Gomali POM;                   <ol style="list-style-type: none"> <li>3.1.1. Abstraction of water for FFB milling and domestic use;</li> <li>3.1.2. Water storage and use for FFB Processing and Domestic Purpose;                       <ol style="list-style-type: none"> <li>3.1.2.1. Water Treatment;</li> <li>3.1.2.2. Raw water treatment plant;</li> <li>3.1.2.3. Domestic water treatment plant;</li> <li>3.1.2.4. Monitoring;</li> <li>3.1.2.5. Water consumption monitoring;</li> </ol> </li> <li>3.1.3. Waste water treatment and discharge management;</li> <li>3.1.4. Surface runoff of sediments from the mill</li> <li>3.1.5. Ramp and marshalling Yard</li> <li>3.1.6. Boiler Ash, shell and Fibre</li> <li>3.1.7. WQI of the river passing near oil mill</li> <li>3.1.8. Palm Oil Mill Effluent (POME) ( Land irrigation by flat bed system ( 120 ha )</li> </ol> </li> <li>3.2. Water Management Plans for Estates;                   <ol style="list-style-type: none"> <li>3.2.1. Soil Moisture Conservation Programme;                       <ol style="list-style-type: none"> <li>3.2.1.1. Pruned Fronds;</li> <li>3.2.1.2. EFB mulching;</li> <li>3.2.1.3. Fibre</li> <li>3.2.1.4. Moisture Conservation of the hill and rolling terrains plantings</li> <li>3.2.1.5. Oil palm planting terraces</li> <li>3.2.1.6. Flat alluvial land</li> <li>3.2.1.7. Bufferzone of stream and rivers</li> <li>3.2.1.8. Water for domestic use</li> <li>3.2.1.9. Sewage and septic tank</li> <li>3.2.1.10. Nursery</li> <li>3.2.1.11. Workshop, lubricant store</li> </ol> </li> </ol> </li> </ol> </li> </ol> <p>Water supplying to each of the estates (during water interruption) is captured in the Water Supply record book and recorded on a daily basis.</p> <p>For Tambang Estate, since the treated water is supplied from GPOM, they will receive an invoice on the water usage.</p>	



	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Date and month invoiced</th> <th style="width: 50%;">Volume of water invoiced (m3)</th> </tr> <tr> <td>11/5/15</td> <td>6,382</td> </tr> <tr> <td>21/4/15</td> <td>5,761</td> </tr> <tr> <td>10/3/15</td> <td>6,155</td> </tr> </table> <p>Bahau Estate ( BHE ) and RGE domestic water is piped from the local authorities. They have a bulk meter that the local water authorities will issue a receipt on water usage</p> <p>The following are the water usage for the past few months :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="width: 30%;">BHE</th> <th style="width: 30%;">RGE</th> </tr> </thead> <tbody> <tr> <td>Month 2015</td> <td>M3</td> <td>M3</td> </tr> <tr> <td>May 2015</td> <td>9897</td> <td>13,997</td> </tr> <tr> <td>Apr 2015</td> <td>11,423</td> <td>14,699</td> </tr> <tr> <td>Mar 2015</td> <td>10,222</td> <td>13,589</td> </tr> </tbody> </table> <p>BHE and RGE staff and executive are provided water for free.</p> <p>For workers, BHE subsidise 4.8m3 per worker per head equivalent to RM3.84 per worker per month.</p>	Date and month invoiced	Volume of water invoiced (m3)	11/5/15	6,382	21/4/15	5,761	10/3/15	6,155		BHE	RGE	Month 2015	M3	M3	May 2015	9897	13,997	Apr 2015	11,423	14,699	Mar 2015	10,222	13,589	
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4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.	<i>Major</i>																							
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																								
<b>Objective evidence:</b>	<p>In Bahau Estate, the riparian in field F11 was visited and the estate has placed signs to marked it's buffer zone.</p> <p>Interview with spray workers and manuring revealed that they are aware that the buffer zone areas are not to be sprayed or applied.</p> <p>Visit show that none of these activities were found.</p> <p>In RGE estate there are no streams, however they have a man-made waterway where they have marked at buffer-zone.</p>																								
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6).	<i>Minor</i>																							
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																								
<b>Objective evidence:</b>	<p>Based on the DOE Licence 002103 (1/7/14 – 30/6/15) the wastewater will be treated in a series of pond as per the plan, "Layout diagram for Waste water Treatment Plant "(No. Plan GOM/TF/003) dates August 2005 and the effluent will be applied as land irrigation ( <i>Atas Tanah</i> ) according to the plan 'Diagram of flat beds , Gomali POM and Flat beds Layout ( No. Pelan GOM/TF/004) dated August 2005.</p> <p>The Mill uses Geotube Continual Desludging system. The effluent from Anaerobic Pond '2' will be pumped into the Geotube to remove solids and the effluent that comes out will be pumped to Anaerobic Pond 3.</p> <p>The flat beds are located in Paya Lang Estates.</p> <p>Based on the Licence the BOD 3 days , 30° C should not exceed 5,000 mg/l and the result below show that the BOD from GPOM are within the limits</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="width: 10%;">Mar '15</th> <th style="width: 10%;">Feb '15</th> <th style="width: 10%;">Jan'15</th> <th style="width: 10%;">Dec'14</th> <th style="width: 10%;">Nov '14</th> <th style="width: 10%;">Oct '14</th> </tr> </thead> <tbody> <tr> <td>BOD</td> <td>161</td> <td>149</td> <td>113</td> <td>165</td> <td>104</td> <td>134</td> </tr> </tbody> </table>			Mar '15	Feb '15	Jan'15	Dec'14	Nov '14	Oct '14	BOD	161	149	113	165	104	134									
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BOD	161	149	113	165	104	134																			
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.	<i>Minor</i>																							

<b>Findings</b>	In compliance:	Yes:	x	No:			
<b>Objective evidence:</b>	Water used is monitored monthly						
	<b>Month</b>	<b>May '15</b>	<b>Apr '15</b>	<b>Mar '15</b>	<b>Feb '15</b>		
	FFB Processed, MT	32,317.89	31,549.39	27,094.39	23,290.02		
	Processed usage m <sup>3</sup>	25,588.00	24,841.00	24,064.00	20,341.00		
	Domestic usage m <sup>3</sup>	35,046.00	34,828.00	36,963.00	35,040.00		
	<b>Water usage (m<sup>3</sup>/MT FFB )</b>	<b>0.79</b>	<b>0.79</b>	<b>0.88</b>	<b>0.87</b>		
<p>Water is sourced from the nearby river, Sg Muar , treated at the water treatment plant in the mill. The treated water is provided for mill, and the neighbouring estate, Paya Lang, Gomali and Tambang (piped).</p> <p>GPOM has the Bakaj (Pejabat Badan KawalSelia Air Johor ) licence renewed yearly (31/12/15 ) where the water usage is charge. No. Licence: 08/A/Sgt/003. Amount allowed per day: 4008 m<sup>3</sup>.</p> <p>Type of source: <i>Air Permukaan</i></p>							
<b>Criterion 4.5:</b> 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.						<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:			
<b>Objective evidence:</b>	Tambang Estate and BHE will periodically do census for the pest and diseases that are identified as crucial.						
	The Ganoderma Census is to identify the infected palms but there is not much treatment that can 'cure' the palm , however , they do it so that they can analyse the amount of fertiliser required to be used based on the 'healthy ' stand.						
	For rat problem, the estate will do the census monthly for every field to decide on the damage. If the damage is>5%, baiting will commence. Records of bait campaign are recorded. they will also refer to the Mill grading census as a confirmation of the % damage						
	Estates will census the barn owl population monthly. Every 4 months, a picture will be taken of the inside of the barn owl box.						
	As at May 2015, the following were the records for TBE:						
	No. of boxes; 20						
	No. of adults: 3						
	No. of chicks : 4						
	No. of eggs: 0						
	Based on the Assistant Manager, the low population is probably due to low rat incidence and poor canopy.						
In BHE as at May 2015, the following were the records for the barn owl population:							
No. of boxes; 134							
No. of adults: 74							
No. of chicks : 51							
No. of eggs: 51							
Dead : 19							

	<p>In RGE as at Apr 2015, the following were the records for the barn owl population:</p> <p>No. of boxes; 67          No. of adults: 53          No. of chicks : 30          No. of eggs: 21</p> <p>Planting of beneficial plants like <i>Turnera sp.</i>, <i>Antigonon sp.</i> is ongoing especially in BHE as part of the programme to encourage predatory insects of leaf-eating caterpillars. Planting were sighted along the roads during the audit visit.</p>																					
4.5.2	Training of those involved in IPM implementation shall be demonstrated.	<i>Minor</i>																				
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">X</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> </tr> </table>		In compliance:	Yes:	X	No:																
In compliance:	Yes:	X	No:																			
<b>Objective evidence:</b>	<p>Prior to the application of rat baits, training will be provided.</p> <p>'Prosedur kerja Selamat Menabur Racun Tikus ' dated 19/7/14 was sighted for 14 workers during the application of the bait .</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Estate</th> <th style="width: 15%;">Date</th> <th style="width: 45%;">Training</th> <th style="width: 25%;">Participants</th> </tr> </thead> <tbody> <tr> <td>BHE</td> <td>24/3/15</td> <td>Safe use using Trunk injection chemicals for contract workers</td> <td>6</td> </tr> <tr> <td></td> <td>28/3/15</td> <td>Prosedur kerja Selamat Menabur Racun Tikus</td> <td>14</td> </tr> <tr> <td></td> <td>10/4/15</td> <td>Safe Operating Procedure for premixer</td> <td>Ahmand Zulkarnain</td> </tr> <tr> <td>RGE</td> <td>25/3/</td> <td>SOP - Baiting</td> <td>6</td> </tr> </tbody> </table> <p>Some IPM implementation like planting of beneficial plants do not need training . Records of plantings were recorded in maps and in the 'Beneficial Plant Planting Programme.</p>		Estate	Date	Training	Participants	BHE	24/3/15	Safe use using Trunk injection chemicals for contract workers	6		28/3/15	Prosedur kerja Selamat Menabur Racun Tikus	14		10/4/15	Safe Operating Procedure for premixer	Ahmand Zulkarnain	RGE	25/3/	SOP - Baiting	6
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<b>Criterion 4.6:</b> Pesticides are used in ways that do not endanger health or the environment.																						
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.	<i>Major</i>																				
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> </tr> </table>		In compliance:	Yes:	x	No:																
In compliance:	Yes:	x	No:																			
<b>Objective evidence:</b>	<p>For pesticide like weedicide or insecticide, the estate will refer to the SOP on weeding for the justification. For example in Tambang Estate, the Fluoxypyr ( Crane 200 ) was used to control wild bittergourd at 20 ml per 18 lit since the spray volume is halved as the sprya volume for the adjustable blu nozzle at 225l/ ha</p> <p>New products like'fungicide 'Engano was sighted in the 'Engano' trial file as Tambang has high incidence of Ganoderma.</p>																					
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.	<i>Major</i>																				
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<b>Objective evidence:</b>	<p>Estates that use Monocrotophos or Methamidophos maintain records in the following forms as per the Second Schedule - Pesticides Act (Highly Toxic Pesticides Regulations) 1996:</p> <p>Record of workers involved in the usage or handling of Highly Toxic Pesticides.</p> <p>Record of workers' total usage and number of hours worked with Highly Toxic Pesticides</p> <p>Record of receiving of Highly Toxic Pesticides from authorised supplier</p> <p><b>MAJOR 01</b></p> <p><b>A document to show of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) was not available at the estates.</b></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.	<i>Major</i>																				

<b>Findings</b>	In compliance:	Yes:	x	No:		
<b>Objective evidence:</b>	<p>As part of BHE programme to minimise pesticide usage, field inspection is done and the field inspection form is filled.</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>					
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).</p>					<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	x	No:		
<b>Objective evidence:</b>	<p>Pesticide categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions are used under specific situations identified in industry's Best Practice.</p> <p>Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).</p> <p>Paraquat is not used anymore in Gomali.</p> <p>Occasionally , during pest outbreak such as leaf-eating caterpillar , products like methamidophos or monocrotophos will be applied using trunk injection.</p> <p>Permit will be applied form the Department of Agriculture for approval. Training wassighted prior to application.</p> <p>In TBE, although they have methamidophos that was brought since July 2014 , however no usage are recorded since.</p> <p>In BHE, during the bagworm outbreak in March 2015, the use of monocrotophos applied using trunk injection was sighted.</p> <p>BHE uses an external contractor and his workers for the application to apply. BHE conducted on the safe use prior to application on 24/3/15.</p> <p>Field used: 06A</p> <p>Quantity used: 60L x 5 days</p> <p>No. of workers: 5 workers</p> <p>Records were also sighted in the Form I and Form II of the Pesticides ( Highly Toxic Pesticide ) Regulations 1996 on :</p> <ul style="list-style-type: none"> <li>a) Date of use</li> <li>b) Site treated</li> <li>c) Pesticide used</li> <li>d) Quantity Used</li> <li>e) Total working Hours</li> <li>f) Method Used</li> </ul> <p>In RGE no pesticide categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, paraquat, are used.</p>					
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p>					<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:		

<b>Objective evidence:</b>	<p>Each mill and estate has their annual estate training programme depending on the needs of the estate.</p> <p>The following are some of the training done on workers' handling, using or applying pesticides.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Estate</th> <th style="width: 40%;"></th> <th style="width: 20%;"></th> <th style="width: 30%;">No. of workers</th> </tr> </thead> <tbody> <tr> <td>TBE</td> <td>Pre-Mix</td> <td>22/5/15</td> <td>1</td> </tr> <tr> <td>TBE</td> <td>Safe Op spraying</td> <td>13/1/15</td> <td>9</td> </tr> <tr> <td>TBE</td> <td>Rat baiting</td> <td>13/1/15 , 17/9/14</td> <td>14</td> </tr> <tr> <td>TBE</td> <td>Chemical store management</td> <td>13/1/15</td> <td></td> </tr> <tr> <td>TBE</td> <td>Buffer zone</td> <td>20/5/15</td> <td>13</td> </tr> <tr> <td>TBE</td> <td>SW management</td> <td>24/5/15</td> <td>12</td> </tr> <tr> <td>BHE</td> <td>Safe spraying technique</td> <td>20- 27/3/15</td> <td>10</td> </tr> <tr> <td>BHE</td> <td>PPE use training – Jun chong</td> <td>16/4/14</td> <td>18</td> </tr> <tr> <td>RGE</td> <td>Safety and chemical Storage Management</td> <td>19/6/14</td> <td>8 workers including premixer</td> </tr> <tr> <td>RGE</td> <td>Safe Op- Sprayers</td> <td>15/4/15</td> <td>7 sprayers</td> </tr> <tr> <td>RGE</td> <td>Pre-Mixing</td> <td>20/6</td> <td>9</td> </tr> </tbody> </table> <p>Signboards are displayed for a minimum of 24 hours at areas treated with highly toxic pesticides.</p>				Estate			No. of workers	TBE	Pre-Mix	22/5/15	1	TBE	Safe Op spraying	13/1/15	9	TBE	Rat baiting	13/1/15 , 17/9/14	14	TBE	Chemical store management	13/1/15		TBE	Buffer zone	20/5/15	13	TBE	SW management	24/5/15	12	BHE	Safe spraying technique	20- 27/3/15	10	BHE	PPE use training – Jun chong	16/4/14	18	RGE	Safety and chemical Storage Management	19/6/14	8 workers including premixer	RGE	Safe Op- Sprayers	15/4/15	7 sprayers	RGE	Pre-Mixing	20/6	9
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4.6.6	<p>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.</p>			<i>Major</i>																																																
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<b>Objective evidence:</b>	<p>In BHE and TBE, storage of pesticide was found to be appropriately managed.</p> <p>The pesticide is stored in a separate store from the fertiliser or the mineral oils ( P.O.L ) store.</p> <p>In the pesticide store, the 1a, 1b pesticides if any is stored separate from the other pesticides.</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 stacked properly according to their types and shelving was available.</p> <p>Measuring equipment for volume and weights, funnels for dispensing were found to be sufficient.</p> <p>PPE , first aid kit were sighted at a storage rack at the entrance.</p> <p>Spill kit using rags in case of spills was sighted.</p> <p>Water source , emergency shower is sighted close by .</p> <p>Shower area/rooms are provided for workers to clean themselves up after work.</p> <p>All empty containers are stored in separate store. They were found to be triple rinse and punctured prior to storage.</p> <p><b>OBSERVATION 02</b></p> <p><b>In RGE, the organophosphate termiticide used by the housing contractor was not stored in proper storage site and the contractor was disposing it together with the other waste material.</b></p>																																																			
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p>			<i>Minor</i>																																																
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<b>Objective evidence:</b>	<p>Applications of pesticide are by proven method such as the use of knapsack sprayer or motorised mistblowers.</p>																																																			

	<p>Rates of application are as per label and it will be calibrated by the management prior to application.</p> <p>In BHE, weeding is done using manual knapsack sprayer, 16 lit 'Interpump' using the solid blue cone nozzle .</p> <p>Calibrations of nozzles were done monthly for the 6 interpump sprayers. The last calibration was done on 20/5/15. The calibration is based on the standard new nozzle @ 200ml/min.</p> <p>In RGE, calibrations of nozzles were done monthly for the 11 interpump sprayers. The last calibration was done on May 2015. The calibration is based on the standard new nozzle @ 500ml/min.</p> <p>The lower spray volume rate at BHE is due to the use of the pressure regulator</p>						
4.6.8	<p>Pesticides shall be applied aurally 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.</p>	<i>Major</i>					
<b>Findings</b>	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td style="text-align: center;">x</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	x	No:		
In compliance:	Yes:	x	No:				
<b>Objective evidence:</b>	N/A as no aerial spraying conducted						
4.6.9	<p>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).</p>	<i>Minor</i>					
<b>Findings</b>	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td style="text-align: center;">x</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	x	No:		
In compliance:	Yes:	x	No:				
<b>Objective evidence:</b>	<p>Evidence of continual training to enhance knowledge and skills of employees on pesticide handling are available in the training file.</p> <p>A training programme is prepared annually and in the 2015 training programme, some of the training includes training for pesticide handling. See 4.6.5 and 4.8.2 for some of the training conducted by the estates for workers handling pesticide.</p>						
4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p>	<i>Minor</i>					
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In compliance:	Yes:	x	No:				

<b>Objective evidence:</b>	Estates and mill will separate their waste as per their environment assessment.																							
	Workers, workshop and staff are reminded on segregation of recyclable waste regularly.																							
	Scheduled wastes are stored prior to disposal.																							
	Domestic waste is disposed off in a dumpsite in field 09B.																							
	Recyclable material and Scheduled waste disposal records are available. It is sighted in the file SH16- SW disposal Records																							
	Records show the following latest disposal:																							
	<table border="1"> <thead> <tr> <th>date</th> <th>Material</th> <th>Quantity</th> <th>Collector</th> </tr> </thead> <tbody> <tr> <td>24/6/15</td> <td>scrap Iron , paper ,aluminium cans</td> <td>1.95 MT</td> <td>Pragash creation Enterprise: Recyclable collector,;</td> </tr> <tr> <td>20/6/15</td> <td>SW 305</td> <td>60 lit</td> <td>5E Resources Sdn Bhd</td> </tr> <tr> <td>20/6/15</td> <td>Contaminated Containers</td> <td>227 pcs</td> <td>5E Resources Sdn Bhd</td> </tr> <tr> <td>20/6/15</td> <td>SW410 : waste filters</td> <td>10 pc filter 117 pc PPE</td> <td>5E Resources Sdn Bhd</td> </tr> </tbody> </table>				date	Material	Quantity	Collector	24/6/15	scrap Iron , paper ,aluminium cans	1.95 MT	Pragash creation Enterprise: Recyclable collector,;	20/6/15	SW 305	60 lit	5E Resources Sdn Bhd	20/6/15	Contaminated Containers	227 pcs	5E Resources Sdn Bhd	20/6/15	SW410 : waste filters	10 pc filter 117 pc PPE	5E Resources Sdn Bhd
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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																					
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/> No: <input type="checkbox"/>																					
<b>Objective evidence:</b>	In TBE, annual medical surveillance for the following spray operators were checked and records show that they were found to be ' fit for work'.																							
	<ul style="list-style-type: none"> <li>a) Toro</li> <li>b) Ali</li> <li>c) Sugito</li> </ul>																							
	Cholinesterase was not tested on the above workers as they do not use any organophosphate pesticide.																							
	In BHE, the following pesticide operators were interviewed and their annual surveillance checked.																							
	<ul style="list-style-type: none"> <li>a) Abraham Frans - Indon</li> <li>b) Gour Chand</li> <li>c) Rupakh Pillai</li> <li>d) Rabinder Musahar</li> <li>e) Agustinus Bere</li> <li>f) Kalam</li> </ul>																							
	All were reported to be fit for continued work																							
	BHE appointed an external contractor , Ah Kow @ Ngoi Kon Chin, based in Kluang for the bag-worm control using trunk injection																							
	The contractor's workers who trunk inject monocrotophos was also checked by the Bahau Estate management / Safety Officer and it was reported that that the workers' medical surveillance were available.																							

	<p>Name of workers :</p> <ul style="list-style-type: none"> <li>a) Ahmad Anuar- Mandore</li> <li>b) Nasarudin</li> <li>c) Safuan</li> <li>d) Ahmad Sani</li> <li>e) Reduan</li> </ul> <p><b>OBSERVATION 03</b></p> <p>In BHE, one worker, Catur Toniriadi Hoor, was using organophosphate pesticide, chlropyrifos , for housing termite control last year, however , based on his medical surveillance , the cholinesterase test was not conducted. The estate management has ensured that this test will be part of his medical surveillance in the next check-up.</p> <p>In RGE, the annual medical surveillance of the sprayers interviewed were checked and found to be available and the Occupational Health Doctor (OHD), Dr Ling Kay Kwong passed them as 'FIT FOR WORK'</p> <p>They were:</p> <ul style="list-style-type: none"> <li>a) Ahmed ali</li> <li>b) Munsur ali</li> <li>c) Md Rumu Miah</li> <li>d) Mohd Ashadul Islam</li> </ul> <p>They were inspected/screen on 12/5/15.</p> <p>Cholinesterase was not tested on the above workers as they do not handle any organophosphate pesticide.</p>				
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.				Major
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	No female pesticide operators are used				
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented					
4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.				Major
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	<p>H&amp;S policy is available dated 11/7/11, available in English and Malay. The policy is displayed and communicated via training and briefings to workers and interview with workers verified that they understand the H&amp;S policy.</p> <p>A Safety management plans dated July 2012-June 2017 were established for both the mill and estates. Dates of last reviewed were recorded. For example 25 May 2015 for mill and 18 May 2015 for estate, Tampang, 30/4/15 for estate Regent, the information on the SMP appears up-to-date and relevant. Annual periodic reviews especially in the event of a new legislation or changes in technology and methodologies are planned. Among the programs on the H&amp;S plans are health surveillance , emergency treatment of illness , regular inspections, drivers training, chemical handling, confined space entry, etc</p>				
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
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	<p>Documented HIRAC is available. It is reviewed annually and the last review was carried in 2 Jan 2015 covering all activities within mill operations such as the road conditions, machine maintenance and service, loading activities, sterilisation, press, storage, effluent treatment plant (for mill)</p> <p>As for estates, areas on planting, spraying, fertilizing/(manuring) loading and unloading, nursery</p>				



	<p>operation, tractor driving harvesting,</p> <p>Hazards are identified and risks are rated, risk control measures are identified and constantly monitored via site inspections.</p> <p>Warning signs with clear indication that the area is a “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 as recommended in the Noise Monitoring report.</p> <p>Positive Monitoring of noise level was conducted on 28/07/15 by ENV Consultancy and Monitoring Services Sdn Bhd. The noise level at:</p> <p style="margin-left: 40px;">a) Boiler station is 88 – 90 dBA</p> <p style="margin-left: 40px;">b) Sterilization unit is 94 – 97 dBA</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 are kept in the office and estate clinic.</p> <p><b>Points of improvement:</b></p> <p>The record of monitoring of operators health and safety. i.e from the MC records can be used to perform the HIRAC assessment. It was observed that from the worker MC records, reasons of taking MC or seeing doctor was occupational H&amp;S relates such as body pain/ ache and cut/pricked by torn, etc. This can further improve the way the control measures/ action plan to be taken.</p> <p>The hazard identification can be further look into the aspects of health related such as exposure to prolong sun during planting/ re-planting and fatigue stress of prolong repetitive work such as harvesting and pruning.</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.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	<p>In POM , training records covering boiler house and engine room ( dated 21/4/15), confined space( cleaning of tanker, with authorised entrant and standby person for confined space ), Fire training ( 23/4/15), Laboratory and water treatment plant ( 22/4/15)</p> <p>Estate - Spraying operators training records are available. (13/115). FFB harvesting training (6/4/15). Fertilizing training/ Manuring (15/1/15) – Tampang estate.</p>				
4.7.4	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.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	<p>SHE committee is set up and headed by Chai Tian Siang ( Mill manager), SHE meeting is carried every quarterly, the latest minutes dated covering issues such as work place inspection, accident, and near misses, training needs, review of HSE objectives and targets , audit results and regulations issues. Output from the meeting includes action taken and improvement plans.</p> <p>SHE committee is headed by Rishitharan (Asst Manager). SHE meeting minutes are available on quarterly basis for Tampang Estate</p> <p>Asuraja is heading of H&amp;S for Bahau estate while Balamani is heading Regent estate. Meeting of minutes are available on quarterly basis.</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.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	Accident and emergency procedures are available with the process steps documented for physical injury, chemical spillage, driver negligence and fire outbreak, detailing the person to be contacted, relevant authorities involvement such as bomba and ambulance.				

	<p>First Aiders are trained (dated 10-11 /2014), total first aiders 23 at their respective departments-(Mills). First aiders training for estates are sighted as well, dated 8/6/15</p> <p>First aid boxes are sighted available at all workstations.</p>	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Local workers are covered under SOCCO. Migrant workers are covered under Workman compensation under MSIG insurance.	
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>For mill, Lost Time Accident (LTA) metrics is available with reported 1 case for year 2015.</p> <p>Lost Time Accident ( LTA) metrics is available with reported 2 cases for year 2015 (For Tampany estate) regarding falling off Motorcycles and x cases for Regent</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.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>At GPOM, the Safety and Health Programme 2015 training and the Standard &amp; Safety Operating Procedure Training Programme for 2015 was sighted. It includes the Hearing Conservation Training conducted for all GPOM employees.</p> <p>At the estate level, the annual training programme 2015 was also sighted. It includes training for safe operating procedures for field operation , safety and health training like first aid kits, use of PPE, emergency drill etc.</p> <p>Some of the training are done during the morning muster daily particularly on the use of PPE.</p>	
4.8.2	Records of training for each employee shall be maintained.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	

**Objective evidence:**

GPOM 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

Hearing Conservation Training was conducted by Mr Saidani, GPOM AM to **all** employees on 1/6/15. He explains the difference between sound and noise and the effect of noise to Potential Hearing Damage.

Some of the trainings are as below

Mill / Estate	Date	Training	Participant
GPOM	21/4/15	SOP and StOP Ramp	16
GPOM	22/4/15	SOP and StOP Lab and WTP	14
	21/4/15	SOP and StOP Boiler and engine room	17
	20/4/15	SOP and StOP Workshop	16
	20/4/15	SOP and StOP Electrical / workshop e.g chageman	7
	21/4/15	SOP and StOP Ponding	11
	22/4/15	SOP and StOP Process	40
	10,17,24/5/15	ERP and Fire Drill	30 ( incl paya lang , Gomali Estate )
	3-5/3/15	SOP and StOP Authorised Gas Tester and entry Supervisor ( AGT ES )	20
BHE	15/1/15, 17/3/15,	First Aid training	
	22/5	Emergency Drill	
	28/3	SOP – Manuring	
	24/3/15	Safe use using Trunk injection chemicals for contract workers	
	28/3/15	Prosedur kerja Selamat Menabur Racun Tikus	
	10/4/15	Safe Operating Procedure for premixer	
RGE	15/1, 16/2, 16/3, 13/4, 14,5, 15/6	Line site Inspection	
	11/3, 27/5	First Aid training	9, 9
	13/5	ERP	8
	19/6	SOP – Manuring	15
	11/3	Buffer zone	8 ( manuring & spraying)
	24/6	SOP – Scheduled Waste Management	
	24/6	Waste Management	6
	17/6	Buffalo Harvesting	1
	22/4/15	Harvesting contractors	19

**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.

*Major*

<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The Gomali-PMU EIA and Management Action Plan as well as Continuous Improvement Plans (June 2012 to June 2017) reviewed on 02 June 2015.</p> <p>The periodic review of environmental pollution impacts with management recommendations for further action is made available to the auditing team during the audit. All sources of wastes and pollution are identified with mitigation and monitoring plans for negative impacts.</p> <p><i>The EIA described:</i></p> <ul style="list-style-type: none"> <li>a. Identification of waste products/pollutants</li> <li>b. Environmental impacts</li> <li>c. Action plan, monitoring and continuous improvement programme</li> <li>d. Documents to be reviewed</li> <li>e. Management review/comments and time bound</li> <li>f. Person in charge</li> </ul>	
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Actions Plans, monitoring and continuous improvement programmes were defined and implemented for ensuring that negative environmental impacts were prevented and mitigated.</p> <p>A list of team members from estate and mill are identified in preparation of the EIA Management plan. For example, in POM, the person in charge for all the EIA implementation is Mr. J. Siva Perumal (Gomali Oil Mill assistant manager).</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>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The Gomali-PMU EIA and Management Action Plan as well as Continuous Improvement Plans (June 2012 to June 2017) which will be reviewed annually. The latest reviewed for the plan available dated on 03 June 2015.</p> <p>The identification of waste products/pollutants has incorporated the negative and positive impacts.</p> <p>The plans include:</p> <ul style="list-style-type: none"> <li>a. To applied driven POME on low productivity area.</li> <li>b. Segregation of schedule, recyclable and domestic waste</li> <li>c. Proper monitoring, storing and disposal of schedule waste</li> <li>d. Reduction of Pesticide usage</li> <li>e. Planting of beneficial plant</li> <li>f. Maintenance of riparian buffer zone and etc.</li> </ul>	
<b>Criterion 5.2:</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.		
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The HCV assessment conducted back in 24 August 2009 by the sustainability team of IOI.</p> <p>In Tambang estate, management plan for identified HCV has been viewed and evidence shown that there has been consultation with stakeholders. HCV 4/HCV 5 (all river within the estate) and HCV 6 (the cemetery) are sighted within the estate. Signboards for the HCV area are sighted</p>	

	<p>during onsite visit.</p> <p>The management plan includes following:</p> <ol style="list-style-type: none"> <li>Prohibition of workers to disturb to old cemetery</li> <li>Maintain the cemetery by monthly weeding</li> <li>Avoid spraying along the buffer zone.</li> <li>Distance of buffer zone to be maintained</li> </ol> <p>In Bahau estate, only HCV 6 (surau and hindu temple) available.</p> <p>While in Regent estate bordering Tebong Forest reserve which has been identified as sensitive area, signage of “No hunting and No fishing” was erected at the forest reserve boundary area. Consistent patrolling along the boundary to ensure there is no intruders into the forest reserve.</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>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>Based on the HCV assessment, below measures being implementing following section outlines some of the key threats that are known to exist within the landscape.</p> <ul style="list-style-type: none"> <li>Clear policy from the management towards conservation and protection of HCV</li> <li>Establish and maintain buffer zones</li> <li>Prevent and mitigate the pollution of waterways</li> <li>Improve boundary security and prevent illegal logging, hunting, burning and etc</li> <li>Communicate the importance of protection and conservation of waterways and HCVs to estate personnel</li> </ul> <p>HCV assessment done by the IOI sustainability team indicated that only HCV 4 (mosque &amp; temple) &amp; HCV 6 with no RTE species presence.</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 capture, harm, collect or kill these species.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Respective estates are doing HCV monitoring assessment based on recommendation of management plan. There is evidence to continuously prevent and discourage any illegal hunting, fishing or collecting activities via the signage erected. Besides that, management plan also include monitoring activities such signage, training, maintain buffer zone marking, maintaining vegetation at riparian zone, river water analysis and review with management. All these activities were documented in one dates programme for entire year.	
5.2.4	Where an action plan has been created there shall be ongoing monitoring	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Action plans, monitoring and continuous improvement programme were established	
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Based on the assessment conducted by desktop, interview and field visits, it was verified that there has been no instance of HCV set aside that conflicts with cultural identify, basic needs for local communities and critical for water catchments at these estates.	
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>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Various aspects have been identified such as domestic waste, disposal of spent oil & container and pesticides up in the Environmental impact assessment, management action plans and continuous improvement plan (July 2012 to July 2015) in respective estate & 25 May 2015 (Gomali Mill).	

Observed that an operational plan for each of the identified waste source is found to be established and implemented as follows:

Aspects	Operational Plan
POME	POME monitoring and land application.
Boiler ash	Daily usage of fibre and shell to be monitored
Workshops/Disposal of spent oil/lubricants and empty containers	Proper storing, labelling , monitoring and disposal of schedule waste in accordance with EQA, 1974 Segregate all `waste in accordance with the coding as per in EQA, 1974 Triple rinse and perforate all chemical container to avoid reuse Oil trap to be installed and be cleaned on a weekly basis
Pruning of palm fronds	To carry pout progressively during harvesting Stacking of fronds on the ground based on contour or terrace lips
Pest management	To implement IPM as per in the StOPs
Domestic waste, sewage and garden residue	Systematic collection of garbage at twice a week
Diesel	To avoid purchasing second grade diesel from unauthorized dealer that may contains higher sulphur thus increasing likely of fire hazards To place fire extinguisher and spill kits at storage area
Office use (electricity and papers)	Recycling of papers Day light energy saving programme
Clinical Waste	Disposal of the waste at a monthly basis through a clinical waste collector
Pesticides/chemical store and premixing area	Proper storing, labelling , monitoring and disposal of schedule waste in accordance with EQA, 1974 Segregate all waste in accordance with the coding as per in EQA, 1974 Triple rinse and perforate all chemical container to avoid reuse Spill kit to be allocated in the store PPE to be placed and usage of such equipment is deemed compulsory Training be given for handling of chemical and providing accurate dosage. Oil trap to be installed and be cleaned on a weekly basis
Fertilizer application	Avoid applying the fertilizers along the stream edges Recycle all empty fertilizer bags Water quality index to be carried out on a six monthly basis
Natural streams – application of chemical	No physical construction within the natural streams No chemical application in the streams/bufferzones To continue water quality index on a six monthly basis Maintain the width of the bufferzone
Landfill	Maintain the distance of at least 3 km from nearest housing areas To monitor/inspect the landfill on a monthly basis
Generator	Monitoring of diesel consumption on a monthly basis

	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 70%;"> <p>Disposal of lubricants and containers as scheduled waste</p> <p>Oil trap to be installed and be cleaned on a weekly basis</p> </td> </tr> </table> <p>Scheduled waste is found to be disposed according to the Environmental Quality (Disposal of Scheduled Waste) Regulations, 2005. All inventories for schedule waste based on the waste category code are up to date.</p> <p>Based on records in POM, consignment note for schedule waste are kept in the office. One of sample: No OPC 10916 and 10915. The certificate (No: 002293) for licensed waste collector-OLST Petro Chemical Sdn Bhd is available.</p> <p>With regard to the recycling of waste, the audit team observed that the company has taken proactive action to implement the recycling process. Observed that all recyclable waste is segregated at the estate office and be disposed through the appointed collected. Observed latest disposal of recyclable waste has been conducted on:</p> <p>31 May 2015 (Gomali mill), covering aluminium &amp; plastic containers; 49units</p> <p>Verification during the field visit showed the following:</p> <p>All waste are properly segregated at the line sites and working areas (i.e. office and clinic) before being disposed off; and</p> <p>There is also no evidence of reuse of empty chemical container observed.</p>		<p>Disposal of lubricants and containers as scheduled waste</p> <p>Oil trap to be installed and be cleaned on a weekly basis</p>				
	<p>Disposal of lubricants and containers as scheduled waste</p> <p>Oil trap to be installed and be cleaned on a weekly basis</p>						
5.3.2	All chemicals and their containers shall be disposed of responsibly.	<i>Major</i>					
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> </tr> </table>	In compliance:	Yes:	x	No:		
In compliance:	Yes:	x	No:				
<b>Objective evidence:</b>	<p>Scheduled waste is found to be disposed according to the Environmental Quality (Disposal of Scheduled Waste) Regulations, 2005. The schedule waste storage area restricted access for authorized personnel only. Based on records (inventory and the consignment note). Following samples taken:</p> <ul style="list-style-type: none"> <li>• Empty container on 7 Jan 2015 for POM covering the following: <ul style="list-style-type: none"> <li>○ SW409- 0.290 MT;</li> <li>○ SW410- 0.116 MT;</li> <li>○ SW305- 0.096 MT;</li> </ul> </li> <li>• Tambang on 26 June 2015 covering the following: <ul style="list-style-type: none"> <li>○ SW305- 85 liter; and</li> <li>○ SW410 filter- 6 pcs</li> <li>○ SW410 409- 265 pcs</li> <li>○ SW307- 5 liter</li> </ul> </li> </ul> <p>All the above has been disposed through the licensed scheduled waste collector i.e. OLST Petro-Chemical Sdn. Bhd. The schedule waste disposal was done with proper documentation such as consignment note, schedule waste inventory and fifth schedule (regulation 11) submitted to DOE.</p>						
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.	<i>Minor</i>					
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> </tr> </table>	In compliance:	Yes:	x	No:		
In compliance:	Yes:	x	No:				
<b>Objective evidence:</b>	<p>In POM, the consignment note and inventory records for schedule waste are available and up to date.</p> <p>Recycling of the scrap and waste record are available, for example:</p> <ol style="list-style-type: none"> <li>a. Aluminium &amp; Plastic containers</li> <li>b. Used Paper</li> <li>c. Glass Containers</li> <li>d. Old tyres</li> <li>e. Scrap metals</li> </ol> <p>Recycling bin sighted in the mill and estates. Segregation of waste observed at the estate and mill. Recyclable items such as scrap iron and paper sell to the collector. Receipt and recycle item record are available during onsite audit.</p>						

	Clinical wastes disposed by the authorized contractor (Medivest Sdn Bhd); latest consignment note serial: 580333.																																							
Criterion 5.4: Efficiency of energy use and use of renewable energy is maximized.																																								
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.				<i>Minor</i>																																			
<b>Findings</b>	In compliance:	Yes:	x	No:																																				
<b>Objective evidence:</b>	<p>Gomali Palm Oil Mill Boiler Fuel Monitoring is based on monthly basics. The monitoring sheet recorded FFB processed, fibre and shell produced and total kilowatt from fibre and shell. Following is the table for the monitoring:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 15%;">Month</th> <th style="width: 20%;">FFB Processed (mt)</th> <th style="width: 25%;">Calculated and estimated kilowatt from fibre and shell</th> <th style="width: 15%;">Actual meter reading for turbine (kWhr)</th> <th style="width: 25%;">Actual meter reading for Genset (kWhr)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><b>Feb</b></td> <td style="text-align: center;">23907.52</td> <td style="text-align: center;">1695962.92</td> <td style="text-align: center;">376</td> <td style="text-align: center;">1240</td> </tr> <tr> <td style="text-align: center;"><b>March</b></td> <td style="text-align: center;">26684.89</td> <td style="text-align: center;">1956871.40</td> <td style="text-align: center;">426</td> <td style="text-align: center;">1316</td> </tr> <tr> <td style="text-align: center;"><b>April</b></td> <td style="text-align: center;">30715.39</td> <td style="text-align: center;">2247129.63</td> <td style="text-align: center;">459</td> <td style="text-align: center;">1191</td> </tr> <tr> <td style="text-align: center;"><b>May</b></td> <td style="text-align: center;">20549.49</td> <td style="text-align: center;">2234511.87</td> <td style="text-align: center;">470</td> <td style="text-align: center;">1208</td> </tr> </tbody> </table> <p>The diesel usage are recorded:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 20%;">Month</th> <th style="width: 80%;">Total diesel used (litre)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Feb</td> <td style="text-align: center;">65113</td> </tr> <tr> <td style="text-align: center;">March</td> <td style="text-align: center;">67100</td> </tr> <tr> <td style="text-align: center;">April</td> <td style="text-align: center;">59496</td> </tr> <tr> <td style="text-align: center;">May</td> <td style="text-align: center;">63560</td> </tr> </tbody> </table> <p>The mill has proposed to replace the genset with the TNB electricity and it will reduce the consumption on the diesel which used in the genset. Based on the letter from TNB (TNB (B)/JOHOR/MUAR/PROJEK/SEG1015), the application process are under review process which take 6-12 months.</p> <p>In respective estate, diesel usage for tractor, hiring back hoe and lorry despatch also monitored on monthly basics.</p>					Month	FFB Processed (mt)	Calculated and estimated kilowatt from fibre and shell	Actual meter reading for turbine (kWhr)	Actual meter reading for Genset (kWhr)	<b>Feb</b>	23907.52	1695962.92	376	1240	<b>March</b>	26684.89	1956871.40	426	1316	<b>April</b>	30715.39	2247129.63	459	1191	<b>May</b>	20549.49	2234511.87	470	1208	Month	Total diesel used (litre)	Feb	65113	March	67100	April	59496	May	63560
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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.																																								
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<b>Findings</b>	In compliance:	Yes:	x	No:																																				
<b>Objective evidence:</b>	Observation during the field visit showed no evidence of open burning on site.																																							
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.				<i>Minor</i>																																			
<b>Findings</b>	In compliance:	Yes:	x	No:																																				
<b>Objective evidence:</b>	Not applicable. No evidence of open burning on site during the field visit.																																							
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.																																								
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4).				<i>Major</i>																																			
<b>Findings</b>	In compliance:	Yes:	x	No:																																				
<b>Objective evidence:</b>	In POM, isokinetic stack & air emission monitoring (Ref: AEMR (J) 15-02/01; dated February 2015) is available. The air emission sampling and testing shown that all the air pollutant concentration emitted from Boiler No.1 were not exceed the limit except for parameter Total																																							



	<p>Particulate Matter which was exceed the limit value as set out in Environmental Quality (Clean Air) Regulation 2014 ,Regulation 12 &amp; 13, 3<sup>rd</sup> Schedule, Part (A) No. 1 requirement. However, based on the EQA 2014 act, a period of 5 years will given for all the mill to comply with this new requirement.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 15%;">Sampling Point</th> <th style="width: 25%;">Parameter</th> <th style="width: 15%;">Unit</th> <th style="width: 15%;">Air Impurities Concentration</th> <th style="width: 30%;">EQA (Clean Air) Regulation 2014, Regulation 13 Requirement</th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="text-align: center;">Boiler 1</td> <td style="text-align: center;">Total Particulate Matter</td> <td style="text-align: center;">mg/m<sup>3</sup></td> <td style="text-align: center;">94</td> <td style="text-align: center;">50</td> </tr> <tr> <td style="text-align: center;">Sulphur Dioxide</td> <td style="text-align: center;">mg/m<sup>3</sup></td> <td style="text-align: center;">1.55</td> <td style="text-align: center;">500</td> </tr> <tr> <td style="text-align: center;">Nitrogen Dioxide</td> <td style="text-align: center;">mg/m<sup>3</sup></td> <td style="text-align: center;">0.006</td> <td style="text-align: center;">500</td> </tr> </tbody> </table> <p>For the POME effluent, all will be used for land application and monitoring report will submit to DOE every three monthly. The latest monitoring report (ref: GMM/RSPO 1-16) submitted to DOE on 14 Mac 2015.</p>				Sampling Point	Parameter	Unit	Air Impurities Concentration	EQA (Clean Air) Regulation 2014, Regulation 13 Requirement	Boiler 1	Total Particulate Matter	mg/m <sup>3</sup>	94	50	Sulphur Dioxide	mg/m <sup>3</sup>	1.55	500	Nitrogen Dioxide	mg/m <sup>3</sup>	0.006	500
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5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimize them implemented.			<i>Major</i>																		
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<b>Objective evidence:</b>	<p>In POM, isokinetic stack &amp; air emission monitoring (Ref: AEMR (J) 15-02/01; dated February 2015) is available. Identification of significant pollutants and greenhouse gas (GHG) emission has been done such as POME, diesel/fuel and fertilizer. The usage have been recorded and documented.</p> <p>Sighted the prevention and mitigation / improvement plan “Identification of All Pollution Source” is linked to the EIA.</p>																					
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.			<i>Minor</i>																		
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<b>Objective evidence:</b>	<p>The mill monitors boiler chimney smoke emission once every 6 months and ambient air quality on quarterly basis. Tools and systems used include the DOE online CEMS monitoring for air emissions, and Scheduled Waste disposal were adhering to DOE requirements.</p> <p>Quality of river water is monitored by the estate management and water quality at discharge points as per DOE regulations. Water sampling is done quarterly basis. Test results shows there is no significant changes to water quality.</p> <p>For the GHG monitoring, company has been communicated to RSPO concerning the requirement for submission of their GHG calculation (using the ISCC GHG calculation) for review. It was verified based on the replied email from RSPO dated 30 June 2015.</p>																					

<b>Principle 6: Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Mills</b>									
<b>Criterion 6.1:</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.									
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.			<i>Major</i>					
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 50%;"></td> </tr> </table>				In compliance:	Yes:	x	No:	
In compliance:	Yes:	x	No:						
<b>Objective evidence:</b>	<p>A SIA, management action plans and continuous improvement plans for year July 2012-July 2017 is available. The latest review dated 2/6/15 with the present of all estates representatives and the mill representatives. The topics covered any changes to estate/ Mill demographic, changes to national Laws and regulations, general work / labour conditions on equal opportunities, rights to freedom of association, contracts and terms and conditions of work, wages, employment of women, grievance procedure, sexual harassment procedure, grievance procedure for Land owner issues, facilities and amenities, custom and cultures and the methodology of SIA, social surveillance program and continuous improvement of SIA.</p> <p>The results from the review for continuous improvement recorded include linesite cleaning</p>								

	program, more fire fighting and security training, drinking water tank cleaning and water quality monitoring. The action plans and time lines for each are determined and executed accordingly.	
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Representatives from all estates and respective departments were present in the stakeholder meeting date. <b style="color: red;">Observation 04:</b> <span style="color: red;">The SIA did not include the freely chosen representatives from the relevant parities such as worker representatives or other interested parties such as villager representatives.</span>	
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The results from the review for continuous improvement recorded include linesite cleaning program, more fire fighting and security training, drinking water tank cleaning and water quality monitoring. The action plans and time lines for each are determined accordingly  The monitoring and revision of the action plans are conducted and updated as necessary. The records of such revision and monitoring are maintained	
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The plan is reviewed annually and record of actions from the review is maintained. No major change was identified.	
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme)	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Not applicable as IOI Corporation Berhad- Gomali does not participate in smallholder scheme.	
<b>Criterion 6.2:</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1	Consultation and communication procedures shall be documented.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Documented consultation and communication procedures exist. A list of external stakeholder is maintained. Examples include regular external stakeholder meeting. The last meeting was conducted on 25/5/2015 covering topics of local communities of schooling, emergency situation in case of fire, and other matters that affect the communities and stakeholders. Interview with 2 selected external stakeholders verified that there is a health communication flow.	
6.2.2	A management official responsible for these issues shall be nominated.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The estate managers are responsible as a social liaison officer for each estate. Their roles and responsibilities are clearly defined and communicated to all personnel as <ul style="list-style-type: none"> <li>○ Welfare and social needs of stakeholders;</li> <li>○ Periodic visits to line-site and social amenities to ensure that buildings are in good conditions;</li> <li>○ Periodic visits to neighbouring stakeholders on a proactive manner to ensure that social issues are being taken care of (to have consultation to ensure that communications chain is available and maintained);</li> <li>○ Identification of social issues affecting stakeholders and neighbouring communities and to</li> </ul>	

	<p>decide upon mitigation plans to solve social issues after consultation with the Manager;</p> <ul style="list-style-type: none"> <li>o Maintenance and monitoring of grievance issues and facilitate feedback mechanism to ensure that a line fo communication is available;</li> <li>o Monitoring of crèche and day care centre to ensure that children are being well taken care off and adequately educated; Estates assign one childminder to every 5 children. Creches are however, underutilised these days because of the low number of females of childbearing age. The Visiting Medical Officer (VMO) visits creches that are operational every week. Estates supply sufficient milk for all children in the crèches.</li> <li>o To stakeholders request and ensure that requests are followed up with a response;</li> <li>o Grievance issues (encompassing social, work, repairs etc) and ensuring that proper follow up is conducted;</li> <li>o Safety and health aspect of line-site/estate/workers etc; and</li> <li>o Other social issues arising/ad-hoc social issues.</li> </ul> <p>The estate managers shall bring any issues pertaining to the above to the top management for final decisions e.g. Group Plantation Director after due verification process of each of the grievances raised by the stakeholders.</p>	
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>A list of stakeholders is available</p> <p>The stakeholders are representatives from the non- governmental organizations, village representatives, small holders, management representatives, worker representatives and workers</p> <p>Records of communication with stakeholders and actions taken are maintained and made available. Minutes dates May 2015.</p>	
<b>Criterion 6.3:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	A flow diagram of grievances is made available in the management action plans and continuous improvement plans The last review was in 2 June 215. A request complaint /grievance green book is available to record all feedback from relevant parties	
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Disputes and feedback from interested parties are recorded on the grievance greenbook for internal issues and external stakeholder minutes meeting . Records demonstrated actions have been taken and resolved detailing person taking the action and person verifying the effectiveness of the action taken.	
<b>Criterion 6.4:</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions		
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The procedures for identifying legal and customary rights and for identifying people entitled to compensation are maintained including the grievance procedure for land owner.</p> <p>There is no incident on issue of compensation or complaints from the interested parties' to-date.</p>	

6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.	<i>Minor</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	<p>The procedures for identifying legal and customary rights and for identifying people entitled to compensation are maintained.</p> <p>The company continues to provide necessities to the communities living nearby and maintain good rapport with the community leaders including road building, temples and mosques maintenance.</p> <p>There are no issues of compensation or complaints raised from the communities.</p>	
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The outcome from the negotiated agreements and compensation claims, if any is recorded on the stakeholder meetings and action plans. The minutes are made available to all relevant interested parties.	
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
6.5.1	Documentation of pay and conditions shall be available.	<i>Major</i>
<b>Findings</b>	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
<b>Objective evidence:</b>	<p>Min basic wages is RM900/month. The daily wages is calculated by dividing the basic wages by 26 days per month. The normal OT is 1.5 x, rest day OT is 2 x and public holiday OT is 3 x (for mill). As for estates, the daily wages are based on piece rate and the employer is making effort to ensure the work allocated to the workers can make up to the minimum wages of RM900/month in average.</p> <p>The auditor as well acknowledged that the pay slip system did not capture the actual work day well as the system will record as 1 day work offered even though a worker may not work a full 8 hours/day.</p> <p>The average circa percentage of worker earning below RM900 as below</p> <ol style="list-style-type: none"> <li>a. 30% at Tampang Estate</li> <li>b. 15% at Bahau Estate</li> <li>c. 3% at Regent Estate</li> </ol> <p><b>Major 02:</b></p> <p>The payslip system does not able to capture/reflect any adjustments made as a justification, or any other factor that worker can at least earn the minimum wages of RM900/month. Following are the evidence collected:</p> <ol style="list-style-type: none"> <li>a. In Tampang estate, evidence shown some of the pay slips of worker were below RM900 even though the working days offered were 26 days. Example, March 2015, Musalman Gayasudin earned RM704.68 with record of 25 working days + 1 paid holiday + 1 paid medical leave. April earned RM 872.02 with record of 25 working days + 1 paid holiday. – The reason recorded by the HR on the summary attendance sheet as why the pay below RM900/month was lazy and absent. The same reason was told to the auditors by the management as well during interview. However, the workers told that they had attended and completed all the work assigned.</li> </ol> <p>Same was observed in Bahau estate where worker Karki worked 27 days earned RM815.55; Regent estate worker Apu Hasibul worked 25 days, earned RM670.48.</p> <ol style="list-style-type: none"> <li>b. The same (monthly wages below RM900) were observed for Chaudry Bidyanand, Gadariya Ram and Saili. The reason recorded by the HR as why the pay below RM900/month was the workers were assigned other job but they failed to turn up to work and upon interview with the management, the management confirmed the reason recorded was valid. However, interviews with the workers that they attended and completed all the work assigned.</li> </ol>	

	<p>c. Interviews with the workers confirmed that they were assigned with other works to make up the remaining hours to 8. On some of the days within a month, the work assigned to the workers could be completed in less than 8 hours. However, records of working time for pruning are not kept in the case where the workers took up the job up to make up the remaining hours. On some occasions, the workers did not offer any jobs as there were no jobs for them. Interview with workers as well confirmed that some workers chose not to take up the remaining hours to work in other areas as they mentioned they were tired or exhausted.</p> <p>d. Further, noted that the record of worker monthly wages of Tampang estate show only number of worked days and the total earnings, resulted in showing the average daily wages below the minimum daily wage of RM 34.62/day as the working hours were not shown. Example: Hossain Kamal total monthly earning RM219.32, worked 7days , daily wage RM31.33; Mohammd Firoz total monthly earning RM435.77, worked 15 days, daily wage RM29.05.</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>					
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> </tr> </table>		In compliance:	Yes:	x	No:	
In compliance:	Yes:	x	No:				
<b>Objective evidence:</b>	<p>Negotiated agreements and compensation claims are available through MAPA/NUPW.</p> <p>Details of working hours, deductions, overtime, sickness, holidays, leave, advanced are written on the payslips</p> <p>The passports of foreign workers are kept by employers for safe-keeping. Interview with the workers verify that majority of workers have no objections in surrendering their passports to the employers. The passports are given back to them in the event the workers request them for travelling and to their home countries for holidays. The workers are not asked to lodge a deposit of sum money in order for them to retrieve their passports from the employers. There are as well written documents that the workers are agreed to this practice.</p> <p><b>Observation 05:</b></p> <p>The calculations of wages, though different schemes and difficulty levels of work are available. In Bahau estate, the workers are aware and familiar with the wages calculations but interview with workers in Tampang estate found that the workers are not always fully understand with the scheme and the wages payout in some estates.</p>						
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).	<i>Minor</i>					
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> </tr> </table>		In compliance:	Yes:	x	No:	
In compliance:	Yes:	x	No:				
<b>Objective evidence:</b>	<p>The organization provides adequate housing with average 2 workers in a room, medical is provided for free with clinics available in the estates. Primary schools, sundry shops, food stalls, sport facilities are provided on-site.</p> <p>Workers are provided with clean treated water, domestic waste disposal service is available.</p> <p>There is no report of any disease or sickness as a result of unhygienic living conditions.</p> <p>In overall, the surroundings and the locations of the worker accommodation are suitable and conducive as they are not close to any hazardous storage areas, dusty or noisy areas.</p> <p><b>Points of improvement:</b></p> <p>The conditions of worker accommodation can be improved such as below.</p> <p>a. Hygiene concerned on growing of algae observed in some of the kitchens, left over of food &amp; cooking oils and unwashed dishes attracting flies.</p> <p>b. No lighting in the sleeping room.</p>						
6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food.	<i>Minor</i>					
<b>Findings</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">x</td> <td style="width: 10%;">No:</td> <td style="width: 10%;"></td> </tr> </table>		In compliance:	Yes:	x	No:	
In compliance:	Yes:	x	No:				
<b>Objective</b>	Workers have access to the sundry shops and markets nearby where the prices of essential items						

<b>evidence:</b>	are reasonably priced similar to the local pricing surrounding them.				
<b>Criterion 6.6:</b> The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.					
6.6.1	A published statement in local languages recognising freedom of association shall be available.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	Documented policies on freedom of association are available on all estate and mill in both the local and English. Interview with worker representatives and workers verifies that this policy is communicated and understood by the workers				
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	Annual employee consultative committee meetings are held The attendants include managers, supervisors and, worker representatives from each country. The persons responsibly to follow-up any issues were identified and follow-up accordingly. Topics cover worker accommodation, hygiene, worker benefits and H & S.				
<b>Criterion 6.7:</b> Children are not employed or exploited.					
6.7.1	There shall be documentary evidence that minimum age requirements are met.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:		No:	
<b>Objective evidence:</b>	The verification of worker age is through ID card and passport check. No child labour employed in the estate.				
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age is prohibited.					
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	Equal opportunities policy for all workers regardless of race and nationality is available, briefed and understood by the workers. Interview with the workers had verified its effectiveness.				
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	Non-discriminatory policy is made available and interview with relevant local community's representatives, female workers and migrant workers verifies its effectiveness.				
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:		No:	
<b>Objective evidence:</b>	The job requirements, skills and competency requirements are available including the medical check-up report of worker. The positions held by workers are commensurate with their skills and experience. For example, spraying operators, chemical handlers, and tractor drivers.				
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.					
6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	
<b>Objective evidence:</b>	Sexual harassment policy and other forms of harassment and violence is available and interview with the workers demonstrated no form of such incident had happened.				
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	x	No:	

<b>Objective evidence:</b>	<p><b>Observation 06:</b></p> <p>The organization demonstrated commitment in this policy by establishing the policy immediately on 2/7/15, the effectiveness in implementation and communication to all levels of the workforce is yet to be verified.</p> <p>Note: The local immigration law prohibits foreign workers, while under the contract of employment, getting married and have children.</p>				
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	<p>A procedure of reporting grievance is available. Interview with the workers shows that the company provides fair and just treatment to all, including women.</p> <p>A Gender Representative appointed for each estate and mill, whose duties include attending to grievances pertaining to gender issues, especially sexual harassment. The Gender Representatives are also in-charge of communicating the Policy on the Prevention and Eradication of Sexual Harassment in the Workplace to the workers and staff.</p>				
<b>Criterion 6.10:</b> Growers and millers deal fairly and transparently with smallholders and other local businesses.					
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	The palm oil mill has the records of current and past FFB prices which in accordance to MPOB pricing. There is no any FFB sourced from external suppliers or smallholders.				
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).				<i>Major</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	FFB not sourced from smallholders or out-growers. However, the mill personnel able to explanation the FFB pricing mechanism issued by MPOB.				
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	All contracts are fair, legal, and transparent and understood by the contractors. This was re-confirmed by contractors during interview and the payment records.				
6.10.4	Agreed payments shall be made in a timely manner.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	The pay day is latest the 7 <sup>th</sup> day of the month. Payments are made in a timely manner as per contract terms and re-confirmed by the contractors interviewed.				
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.					
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	All operating units contribute to local development through consultation and communication with the local head of villages				
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.				<i>Minor</i>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	No scheme smallholders in the supply base.				
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.					

6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	All workers checked and interviewed went through legal means to enter the country to work. It was their decisions to choose to work in Malaysia.	
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Interview with the Foreign workers especially from India suggests that foreign workers recruited through an agent was provided with a separate different contract agreements in English stipulating the terms and conditions only when they started to work in the company. The original contracts the agent and the foreign workers had in their home country couldn't be produced during audit.  <b>Points of improvement:</b>  As the foreign workers are coming from different countries, country such as Bangladesh is based on government to government recruitment; no problems arise regarding the contract substitution. However, other country such as India in particular, the recruitment is via agent, the organization should have a procedure to evaluate the agent to ensure the agent fee paid to their agent s at their home country shall not left the workers heavily indebted and "bonded" in order to pay their debt back.	
6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented.	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Labour policies covering topics on minimum wages, non-discrimination, human rights, child labour, and freedom to associations were sighted and made available to the workers.	
<b>Criterion 6.13: Growers and millers respect human rights</b>		
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see criteria 1.2 and 2.1)	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	IOI's Sustainability Policy Statement includes Human Rights and Workplace. This has been stressed in the IOI Corporation Berhad's 2014 annual report. This policy covers the necessary aspects of human rights related issues. Interview during the assessment reveal that employees understand their right. IOI head office is in process of reviewing their various social policies for integration into the group.	
6.13.2	As long as children of foreign workers in Sabah and Sawarak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	<i>Minor</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	The estate and the mill located at West Malaysia.	

<b>Principle 7: Responsible Development of New Plantings</b>		
<b>Criterion 7.3:</b> New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).	<i>Major</i>
<b>Findings</b>	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
<b>Objective evidence:</b>	Based on the geran tax which have paid yearly and the replanting plan has confirmed that: No new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.	



<b>Principle 8: Commitment to Continual Improvement in Key Areas of Activity</b>				
Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations.				
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides (Criterion 4.6)</li> <li>• Environmental impacts (Criterion 4.3, 5.1 and 5.2)</li> <li>• Waste reduction (Criterion 5.3)</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8)</li> <li>• Social impacts (Criterion 6.1)</li> <li>• Encourage optimizing the yield of the supply base.</li> </ul>	<i>Major</i>		
<b>Findings</b>	In compliance:	Yes:	x	No:
<b>Objective evidence:</b>	<ul style="list-style-type: none"> <li>• Reduction in use of pesticides The company did not use of any WHO type 1A and 1B pesticides or paraquat. Barn owl houses construction programme has been attached and the programme is covering from April 2015 to March 2016. More beneficial plant will be planted to reduce the dependency on pesticides.</li> <li>• Environmental the management plan includes following: <ul style="list-style-type: none"> <li>a. Prohibition of workers to disturb to old cemetery</li> <li>b. Maintain the cemetery by monthly weeding</li> <li>c. Avoid spraying along the buffer zone.</li> <li>d. Distance of buffer zone to be maintained</li> </ul> </li> <li>• Recycling bin sighted in the mill and estates. Segregation of waste observed at the estate and mill. Recyclable items such as scrap iron and paper sell to the collector.</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8) The oil mill implements POME as land application as per the approved schedule. Electricity generation for mill operation produced from steam turbine/ boiler where shell and fibre used as burning source [renewable energy]. In mill, continuous desludging of POME by using Green Tube to minimize solids to the minimum level and thus is reducing the frequency of desludging for the ponds and trenches. Reduce the dependency on diesel for electricity generation by replacing electricity supply from TNB.</li> <li>• The results from the review for Social continuous improvement recorded include linesite cleaning program, more fire fighting and security training, drinking water tank cleaning and water quality monitoring. The action plans and time lines for each are determined and executed accordingly.</li> </ul>			

### 3.1.2 Supply Chain

For supply chain, the Gomali 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**

<b>Module D- CPO Mills: Identify Preserved</b>					
<b>D.1: Definition</b>					
<b>D.1.1</b>	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.				
<b>D.2: Explanation</b>					
<b>D.2.1</b>	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	The actual and projected volume already recorded in the report.				
<b>D.2.2</b>	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	The etrace registration done by the central office based in Putrajaya. Verified the etrace and crosschecked with the actual contract, confirmed that all registration and reporting requirements are available. Following etrace number were verified: a. TR-b345fe8c-78f4 b. TR-f4aacfc9-38c0				
<b>D.3: Documented Procedures</b>					
<b>D.3.1</b>	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: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; 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.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	The company has the up to date procedures (RSPO/SOP/COC/2; issue 2, dated 01 April 2015): CSFFB, CSPO & CSPK Traceability System for Estates/Farms, Palm Oil Mills, warehouses and trading companies. Chai Tian Siang as the mill manager and having overall responsibility for and authority over the implementation of these requirements and he demonstrated awareness for all the procedures. Farahin as a sustainability officer based in Head Office (Putrajaya) will in charge for the sales and etrace registration.				
<b>D.3.2</b>	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	The site only receive certified FFBs from own supply base as well as the other nearby certified estates.				

	In procedure (RSPO/SOP/COC/2; issue 2, dated 01 April 2015): CSFFB, CSPO & CSPK Traceability System for Estates/Farms, Palm Oil Mills, warehouses and trading companies, clause 3.1.5 stated that the mill will identify the sources from certified and non certified sources.				
<b>D.4: Purchasing and goods in</b>					
<b>D.4.1</b>	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBS received.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	<p>The site only receives certified FFBS from its own supply base.</p> <p>All the information will be recorded in the weighbridge ticket.</p> <p>For example, WB Ticket no: 580986</p> <p>Product: Fresh Fruit Bunch (CSFFB-IP)</p> <p>Other documents such as FFB consignment note, dispatch weighing note, grading chit and gate pass.</p>				
<b>D.4.2</b>	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	Up to date, there is no overproduction.				
<b>D.5: Record keeping</b>					
<b>D.5.1</b>	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	<p>The record:</p> <p>a. Daily Production Report</p> <p>b. Summary Report- RSPO/CSPO Production Monthly Movement</p> <p>The report recorded FFB receiving, CPO production, dispatch and stock.</p>				
<b>D.6: Processing</b>					
<b>D.6.1</b>	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.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	<p>The mill only receives the crop from its own supply based. All the transaction recorded in the sheet "quantity of CPO sold as RSPO".</p> <p>In procedure (RSPO/SOP/COC/2; issue 2, dated 01 April 2015): CSFFB, CSPO &amp; CSPK Traceability System for Estates/Farms, Palm Oil Mills, warehouses and trading companies.</p>				
<b>D.6.2</b>	The objective is for 100 % segregated material to be reached.				<b>MAJOR</b>
<b>Findings</b>	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
<b>Objective evidence:</b>	The mill only receives certified crops from its own supply base and also from other certified crops from nearby estates- Shahzan (1) IOI, Shahzan (2) IOI, Pukin estate and Segamat.				

### 3.2 Corrective Action Request

There are total of 2 Major were raised. Please refer to the **Appendix A** for the details findings and relevant correction actions have been taken. Due to one of the findings-M02 which relevant to the payment of the workers require more time for the corrective action, CB has decided to downgrade the findings to minor after reviewed the action plan which submitted by the client. It will verify during next surveillance.

### 3.3 Points of Improvements

- 
- a. The sales contract dated 28 April 2015 (ref: C12787/1505) claim for RSPO and ISCC standard by stating the commodity brand: ISCC/RSPO (IP). Although they able to show the report for quantity of CPO sold as RSPO/ISCC, the sales contract should demonstrate only one standard to be used in avoiding any confusion on double claim.
  - b. As the foreign workers are coming from different countries, country such as Bangladesh is based on government to government recruitment; no problems arise regarding the contract substitution. However, other country such as India in particular, the recruitment is via agent, the organization should have a procedure to evaluate the agent to ensure the agent fee paid to their agent s at their home country shall not left the workers heavily indebted and “bonded” in order to pay their debt back.
  - c. The records of monitoring of operator health and safety, i.e. from the MC records can be used to perform the HIRAC assessment. It was observed that from the worker MC records, reasons of taking MC or seeing doctor was occupational H&S relates such as body pain/ ache and cut/pricked by torn, etc. This can further improve the way the control measures/ action plan to be taken. The hazard identification can be further look into the aspects of health related such as exposure to prolong sun during planting/ re-planting and fatigue stress of prolong repetitive work such as harvesting and pruning.
  - d. In one of the worker’s accommodation observed that:
    - i. Hygiene concerned on growing of algae observed in some of the kitchens, left over of food & cooking oils and unwashed dishes attracting flies.
    - ii. No lighting in the sleeping room.

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

Not applicable as this is re-certification.

### **3.5 Issues Raised by Stakeholders and Findings**

A list of stakeholders contacted is included as Appendix C. Stakeholders did not provide any comments in writing regarding the IOI Gomali environmental and social performance. All interviewed stakeholders had positive comments about IOI Gomali.



**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 is planned before on June 2016.

**4.3 Date of Closing Non-Conformities**

Please refer to **Appendix A** for the details of CAR.

**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 Berhad	Signed on behalf of SGS Malaysia Sdn Bhd
 <p>SUSTAINABILITY : YEO LEE NYA MANAGER DATE : 24 AUG 2015.</p>	 <p>Lead Auditor: James S H Ong Date: 11 Aug 2015</p>

**APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION**

CAR #	Indicator	CAR Detail					
M01	4.6.2	<b>Date Recorded&gt;</b>	2 July15	<b>Due Date&gt;</b>	1 Sep 15	<b>Date Closed&gt;</b>	15 July 15
		<b>Non-Conformance:</b>					
		The records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) was not available					
		<b>Objective Evidence:</b>					
		A document to show of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) was not available at the estates.					
		<b>Close-out evidence/Planned Actions:</b>					
<p>A new standard "IOI Group Active Ingredient per Hectare (A.1/HA)" form was prepared for use in all estates. It contains the following information:</p> <ul style="list-style-type: none"> <li>a. Pesticides used</li> <li>b. Active Ingredient used</li> <li>c. LD50</li> <li>d. Area treated</li> <li>e. Amount of active ingredients applied per Ha</li> <li>f. Number of applications which covers total chemicals used and area treated on monthly basis.</li> </ul> <p>Format has been distributed and is currently being used at all estates.</p>							
M02	6.5.1	<b>Date Recorded&gt;</b>	2 July15	<b>Due Date&gt;</b>	1 Sep 15	<b>Date Closed&gt;</b>	15 July 15
		<b>Non-Conformance: Major</b>					
		Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.					
<b>Objective Evidence:</b>							

CAR #	Indicator	CAR Detail				
		<p>The payslip system does not able to capture/reflect any adjustments made as a justification, or any other factor that worker can at least earn the minimum wages of RM900/month. Following are the evidence collected:</p> <p>a. In Tampang estate, evidence shown some of the pay slips of worker were below RM900 even though the working days offered were 26 days. Example, March 2015, Musalman Gayasudin earned RM704.68 with record of 25 working days + 1 paid holiday + 1 paid medical leave. April earned RM 872.02 with record of 25 working days + 1 paid holiday. – The reason recorded by the HR on the summary attendance sheet as why the pay below RM900/month was lazy and absent. The same reason was told to the auditors by the management as well during interview. However, the workers told that they had attended and completed all the work assigned.</p> <p>Same was observed in Bahau estate where worker Karki worked 27 days earned RM815.55; Regent estate worker Apu Hasibul worked 25 days, earned RM670.48.</p> <p>b. The same (monthly wages below RM900) were observed for Chaudry Bidyanand, Gadariya Ram and Saili. The reason recorded by the HR as why the pay below RM900/month was the workers were assigned other job but they failed to turn up to work and upon interview with the management, the management confirmed the reason recorded was valid. However, interviews with the workers that they attended and completed all the work assigned.</p> <p>c. Interviews with the workers confirmed that they were assigned with other works to make up the remaining hours to 8. On some of the days within a month, the work assigned to the workers could be completed in less than 8 hours. However, records of working time for pruning are not kept in the case where the workers took up the job up to make up the remaining hours. On some occasions, the workers did not offer any jobs as there were no jobs for them. Interview with workers as well confirmed that some workers chose not to take up the remaining hours to work in other areas as they mentioned they were tired or exhausted.</p> <p>d. Further, noted that the record of worker monthly wages of Tampang estate show only number of worked days and the total earnings, resulted in showing the average daily wages below the minimum daily wage of RM 34.62/day as the working hours were not shown. Example: Hossain Kamal total monthly earning RM219.32, worked 7days , daily wage RM31.33; Mohammd Firoz total monthly earning RM435.77, worked 15 days, daily wage RM29.05.</p>				
		<b>Close-out evidence/Planned Actions:</b>				
		<p>The payslip system which unable to capture/reflect any adjustments made as a justification, IT department and Estate Staff (Payroll clerk and field supervisor) will organise training or refresher on the usage of the existing Payroll Codes that are in our software module. This will enable the Printed Payslip to better reflect the days worked, completed task, leave with approval, absent days, additional task assigned and completion etc</p> <p>The training and re-training as per the attached Time Bound Plan during October to December 2015. During these training sessions, the IT manager together with the Estate Manager will also be able to evaluate and implement additional software changes should it be necessary. Software changes will require programming by our external software vendors.</p> <p>Various justification has been provided for each workers which unable to achieve the minimum wages, the justification such as incomplete task, data entry error, poor work performance and absenteeism. Submitted evidence found satisfactorily at this stage. Due to nature of the finding which requires time, it will further verify during the next surveillance audit. This finding has been downgrade to minor#3.</p>				
m03	6.5.1	<b>Date Recorded&gt;</b>	2 July15	<b>Due Date&gt;</b>	Next Surveillance	<b>Date Closed&gt;</b>
		<b>Non-Conformance: Major</b>				
		Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.				
		<b>Objective Evidence:</b>				



CAR #	Indicator	CAR Detail
		<p>The payslip system does not able to capture/reflect any adjustments made as a justification, or any other factor that worker can at least earn the minimum wages of RM900/month. Following are the evidence collected:</p> <p>e. In Tampang estate, evidence shown some of the pay slips of worker were below RM900 even though the working days offered were 26 days. Example, March 2015, Musalman Gayasudin earned RM704.68 with record of 25 working days + 1 paid holiday + 1 paid medical leave. April earned RM 872.02 with record of 25 working days + 1 paid holiday. – The reason recorded by the HR on the summary attendance sheet as why the pay below RM900/month was lazy and absent. The same reason was told to the auditors by the management as well during interview. However, the workers told that they had attended and completed all the work assigned.</p> <p>Same was observed in Bahau estate where worker Karki worked 27 days earned RM815.55; Regent estate worker Apu Hasibul worked 25 days, earned RM670.48.</p> <p>f. The same (monthly wages below RM900) were observed for Chaudry Bidyanand, Gadariya Ram and Saili. The reason recorded by the HR as why the pay below RM900/month was the workers were assigned other job but they failed to turn up to work and upon interview with the management, the management confirmed the reason recorded was valid. However, interviews with the workers that they attended and completed all the work assigned.</p> <p>g. Interviews with the workers confirmed that they were assigned with other works to make up the remaining hours to 8. On some of the days within a month, the work assigned to the workers could be completed in less than 8 hours. However, records of working time for pruning are not kept in the case where the workers took up the job up to make up the remaining hours. On some occasions, the workers did not offer any jobs as there were no jobs for them. Interview with workers as well confirmed that some workers chose not to take up the remaining hours to work in other areas as they mentioned they were tired or exhausted.</p> <p>h. Further, noted that the record of worker monthly wages of Tampang estate show only number of worked days and the total earnings, resulted in showing the average daily wages below the minimum daily wage of RM 34.62/day as the working hours were not shown. Example: Hossain Kamal total monthly earning RM219.32, worked 7days , daily wage RM31.33; Mohammd Firoz total monthly earning RM435.77, worked 15 days, daily wage RM29.05.</p> <p><b>Close-out evidence/Planned Actions:</b></p>

### OBSERVATIONS

OBS #	Indicator	CAR Detail					
01	4.1.3	<b>Date Recorded&gt;</b>	2 July15	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
		<b>Non-Conformance:</b>					
		Records of monitoring were sighted for operation done during the night shift and this is recorded in the 'Night shift spot check log sheet'.					
		<b>Objective Evidence:</b>					
		At GPOM, these records of log-sheet monitoring for the day shift operation was not done.					
		<b>Close-out evidence/Planned Actions:</b>					
02	4.6.6	<b>Date Recorded&gt;</b>	2 July15	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
		<b>Non-Conformance: Major</b>					
		Pesticide containers did not properly dispose.					
		<b>Objective Evidence:</b>					

OBS #	Indicator	CAR Detail					
		<p>In RGE, the organophosphate termiticide used by the housing contractor was not stored in proper storage site and the contractor was disposing it together with the other waste material.</p> <p><b>Close-out evidence/Planned Actions:</b></p>					
03	4.6.11	<b>Date Recorded&gt;</b>	2 July15	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
<b>Non-Conformance: Major</b>							
The cholinesterase test was not conducted for one of the pesticide operators.							
<b>Objective Evidence:</b>							
In BHE, one worker, Catur Toniriadi Hoor, was using organophosphate pesticide, chlopyrifos for housing termite control last year, however, based on his medical surveillance, the cholinesterase test was not conducted. The estate management has ensured that this test will be part of his medical surveillance in the next check-up.							
<b>Close-out evidence/Planned Actions:</b>							
04	6.1.2	<b>Date Recorded&gt;</b>	2 July15	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
<b>Non-Conformance: Major</b>							
There shall be evidence that the assessment has been done with the participation of affected parties.							
<b>Objective Evidence:</b>							
Representatives from all estates and respective departments were present in the stakeholder meeting date.							
The SIA did not include the freely chosen representatives from the relevant interested parties such as worker representatives and villager representatives.							
<b>Close-out evidence/Planned Actions:</b>							
05	6.5.2	<b>Date Recorded&gt;</b>	2 July15	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
<b>Non-Conformance: Major</b>							
The calculations of wages through different schemes may not fully understand by the certain group of workers.							
<b>Objective Evidence:</b>							
In Tampang and Regent estate, the calculations of wages through different schemes and difficulty levels of work are available and interviewed with the workers confirmed that they are not always fully understand with the scheme and the wages payout in some estates.							
Interviewed with the workers in Bahau estate suggest otherwise as the workers are aware and familiar with the wages calculations.							
<b>Close-out evidence/Planned Actions:</b>							
06	6.9.2	<b>Date Recorded&gt;</b>	2 July15	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
<b>Non-Conformance:</b>							
A policy to protect the reproductive rights of all, especially of women is available but it is not communicated to all levels of the workforce.							
<b>Objective Evidence:</b>							
There is no clear written policy to protect the reproductive rights of all, especially of women is made available and communicated to all levels of the workforce. The organization demonstrated commitment in this policy by establishing the policy immediately on 2/7/15, the effectiveness in implementation and communication to all levels of the workforce is yet to be verified.							

OBS #	Indicator	CAR Detail					
		<b>Close-out evidence/Planned Actions:</b>					
07	6.5.1	<b>Date Recorded&gt;</b>	15 July 15	<b>Due Date&gt;</b>	dd mm yy	<b>Date Closed&gt;</b>	dd mm yy
		<b>Non-Conformance:</b>					
		The payslip system does not able to capture/reflect any adjustments made as a justification, or any other factor that worker can at least earn the minimum wages of RM900/month.					
		<b>Objective Evidence:</b>					
		The payslip system which unable to capture/reflect any adjustments made as a justification, IT department and Estate Staff (Payroll clerk and field supervisor) will organise training or refresher on the usage of the existing Payroll Codes that are in our software module. This will enable the Printed Payslip to better reflect the days worked, completed task, leave with approval, absent days, additional task assigned and completion etc					
		The training and re-training as per the attached Time Bound Plan during October to December 2015. During these training sessions, the IT manager together with the Estate Manager will also be able to evaluate and implement additional software changes should it be necessary. Software changes will require programming by our external software vendors.					
		<b>Close-out evidence/Planned Actions:</b>					

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**APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED**

This is the recertification.

## APPENDIX C: TIMEBOUND PLAN

Updated on 26<sup>th</sup> April 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. Re-Certification planned for 2015</i>
3.	Pamol Kluang POM	March 2009	<i>Certified in Mar 2010</i>	<i>ASA-04 done. Re-Certification planned for 2015</i>
4.	Gomali POM, Sabah	August 2009	<i>Certified in Aug 2010</i>	<i>ASA-04 done. Re-Certification planned for 2015</i>
5.	Baturong POM	Sept 2009	<i>Certified in Oct 2010</i>	<i>ASA-04 done. Re-Certification planned for 2015</i>
6.	Bukit Leelau POM	April 2010	<i>Certified in Nov 2010</i>	<i>ASA-04 done. Re-Certification planned for 2015</i>
7.	Mayvin POM	August 2010	<i>Certified in Dec 2010</i>	<i>ASA-04 done. Re-Certification planned for 2015</i>
8.	Pukin POM	Dec 2010	<i>Certified in Jun 2012</i>	<i>ASA-03 done. ASA-04 planned for 2015.</i>
9.	Leepang POM	Aug 2012	<i>Certified in Dec 2013</i>	<i>ASA-01 done. ASA-02 planned for 2015.</i>
10.	Syarimo POM	Sept 2012	<i>Certified in Mar 2013</i>	<i>ASA-01 done. ASA-02 planned for 2015.</i>
11.	Ladang Sabah POM	Oct 2012	<i>Certified in Apr 2013</i>	<i>ASA-01 done. ASA-02 planned for 2015.</i>
12.	Morisem POM, Sabah	Sept 2013	<i>Certified in Dec 2013</i>	<i>ASA-01 done. ASA-02 planned for 2015.</i>
13.	IOI-Pelita, Sarawak	<i>Planned – Dec 2016</i>	-	<i>New certification for IOI, Pelita (Sarawak) is pending resolution of land dispute and RSPO decision.</i>
14.	IOI-Unico POM-1, Sabah	<i>Planned – Oct 2017</i>	-	2017
15.	IOI-Unico Desa POM-2, Sabah	<i>Planned – Oct 2018</i>	-	2018 With smallholders & traders
16.	PT SKS	<i>Planned – Dec 2016</i>	--	2016 (POM just commissioned, HGU application in process)
17.	PPT BNS	<i>Planned –</i>	--	2016 (POM just commissioned,

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		<i>Dec 2016</i>		<i>HGU application in process)</i>
18.	PT BSS			<i>2018 (No POM yet – in development phase)</i>
19.	PT KPAM			<i>2019 (No POM yet – reapplication of expired Izin Lokasi and development planned in 2017)</i>

**APPENDIX D: LIST OF STAKEHOLDERS CONTACTED**

<b>Stakeholder</b>	<b>Type of Stakeholder</b>	<b>Issues raised</b>	<b>Comments/Action Taken</b>
Harvesters, sprayers, manurers, Mandores ,staff , HA , etc	Internal Stakeholders	Payment Living Condition Contract substitution	The audit team has verified such comments and confirmed that the payday was done on time of each of the month. An Observation is raised for this matter. (please refer to the audit report for further explanation)
External stakeholder – Contractor Parts Supplier	External stakeholder	Stakeholder meeting Contractor payment Safety and Health Policy	Not applicable as no issue raised
Neighbouring village	Head of the village	Land dispute Boundary Stone Stakeholder meeting	Not applicable as no issue raised
Mill worker	Weighbridge officer	Verified on the understanding in the process for identifying the internal certified and external uncertified crops	The officer fully understands the procedures.