



SIRIM QAS INTERNATIONAL SDN. BHD.
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,
Section 2, 40700 Shah Alam, Selangor, Malaysia.

File Ref. : EH04760002

RSPO PUBLIC SUMMARY REPORT

CLIENT : IOI CORPORATION BHD – BUKIT LEELAU CERTIFICATION UNIT

PARENT COMPANY : IOI CORPORATION BERHAD

RSPO MEMBERSHIP No.: 2-0002-04-000-00

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):
(In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
Bukit Leelau	Bukit Leelau Palm Oil Mill	03°18'00.0" N	103°08'24.0" E	KM 75 Kuantan-Segamat Highway, 26700 Muadzam Shah, Pahang, Malaysia
	Bukit Leelau Estate	03°18'00.0" N	103°07'48.0" E	
	Detas Estate	03°33'00.0" N	103°03'00.0" E	KM 49 Kuantan-Segamat Highway, 26330 Gambang, Pahang, Malaysia
	Merchong Estate	03°01'12.0" N	103°12'00.0" E	KM 23 Jalan Bukit Ibam-Rompin, 26700 Muadzam Shah, Pahang, Malaysia
	Mekassar Estate	02°59'24.0" N	103°10'12.0" E	KM 24 Jalan Bukit Ibam-Rompin, 26700 Muadzam Shah, Pahang, Malaysia
	Leepang A Estate	03°00'36.1" N	103°01'48.0" E	KM 68 Kuantan-Segamat Highway, 26330 Gambang, Pahang, Malaysia
	Laukin A Estate	03°01'26.1" N	103°02'33.0" E	KM 72 Kuantan-Segamat Highway, 26700 Muadzam Shah, Pahang, Malaysia

MAP : See Attachment 1

AUDIT DATE : 11-15 September 2017

DURATION : 16 auditor days

TYPE OF AUDIT :

Annual Surveillance Audit No. 2

Recertification Audit

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014

SCOPE OF CERTIFICATION: Production of Crude Palm Oil and Palm Kernel Using Identity Preserved Supply Chain Model

VALIDITY OF RSPO CERTIFICATE : 19 NOVEMBER 2015 - 18 NOVEMBER 2020

The following attachments form part of this report:

Non-conformity Report(s)

List of additional site(s)

Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : Mohd Razman Salim

Name : ^x RAVI A/L TONY

Signature :

Signature :

Date : 20 December 2017

Date : 21/12/17

RSPO PUBLIC SUMMARY REPORT

SUMMARY OF AUDITS

Stage 2 audit / Recertification audit					
On-site audit date	:	24-28/08/2015		No. of auditor days : 15	
Audit team	:	Mohd Hafiz Bin Mat Hussain, Valence Shem, Selvasingam T Kandiah, Roslee Bin Jamaludin (Technical Expert/ HCV)			
No. of major NCR	:	1	Indicator: 4.4.2	Closing date : 20/09/2015	
No. of minor NCR	:	1	Indicator : 5.6.3		
Indicate the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers	Suppliers
		/			/
		Contract workers	NGOs	Govt. agency	Independent growers
		Indigenous people	Contractor	Others (Please specify)	
		/			
Supply base sampled	:	Bukit Leelau Estate and Detas Estate			
Report approved by	:		Approval date :		

Annual Surveillance Audit 1					
On-site audit date	:	26-30/09/2016		No. of auditor days : 15	
Audit team	:	Hazani Othman (Lead Auditor), Mohd. Razman Salim, Selvasingam T. Kandiah, Mohd Ab Raouf Asis (Trainee)			
No. of major NCR	:	5	Indicator: 2.1.1, 4.1.1, 4.8.1, D3.1, D5.1	Closing date : 29/11/2016	
No. of minor NCR	:	2	Indicator : 2.1.3, 4.3.3		
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers	Employees
		√			√
		Contract workers	NGOs	Govt. agency	Contract workers
		Indigenous people	Contractor	Others (Please specify)	
		√	√		
Supply base sampled	:	Merchong Estate, Mekassar Estate			
Changes since the last audit	:	<p>A new Senior Manager (Mr. Tan Kim Ha) was appointed on 22.06.2016 to replace the Plantation Controller Mr. Leang Hon Wai who has been transferred from the CU. Both visited estates also had new Estate Managers – Mekassar Estate – Mr Yogesvaran Paramasivam from 26.03.2015 and at Merchong - Mr. Arul Armugham from 11.08.2016.</p> <p>New supply based Leepang A has been included in the certification. However, the site was not sampled as it was audited by the previous CB in re-certification audit in March 2016. All the major NCs were satisfactorily closed.</p>			
Report approved by	:		Approval date :		

Annual Surveillance Audit 2					
On-site audit date	:	11-15 September 2017		No. of auditor days : 16	
Audit team	:	Mohd Razman Salim, Mahzan Munap, Mohd Ab Raouf Asis & Zulkarnain Abdullah			
No. of major NCR	:	2	Indicator: 4.3.4 & 5.2.1	Closing date : 13/11/2017	
No. of minor NCR	:	2	Indicator : 2.2.2 & 5.2.5		
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers	Suppliers
		√		√	√
		Contract workers	NGOs	Govt. agency	Independent growers
		Indigenous people	Contractor	Others (Please specify)	
		√	√		
Supply base sampled	:	Bukit Leelau Palm Oil Mill, Bukit Leelau Estate, Leepang A Estate & Laukin A Estate			
Changes since the last audit	:	<p>1. One new supply base (Laukin A Estate (1,564.90Ha) was transferred to this CU from Pukin CU (certified by Intertek).</p> <p>2. The certified area for Leepang A Estate has been corrected to 2403.70 ha (1603.00Ha + 800.70Ha).</p>			
Report approved by	:	Aminah Ang	Approval date : 20/12/2017		

RSPO PUBLIC SUMMARY REPORT

Annual Surveillance Audit 3					
On-site audit date	:		No. of auditor days :		
Audit team	:				
No. of major NCR	:	Indicator:	Closing date :		
No. of minor NCR	:	Indicator :			
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees	Settlers	Villagers	Suppliers
		Contract workers	NGOs	Govt. agency	Independent growers
		Indigenous people	Contractor	Others (Please specify)	
Supply base sampled	:				
Changes since the last audit	:				
Report approved by	:		Approval date :		

Annual Surveillance Audit 4					
On-site audit date	:		No. of auditor days :		
Audit team	:				
No. of major NCR	:	Indicator:	Closing date :		
No. of minor NCR	:	Indicator :			
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees	Settlers	Villagers	Suppliers
		Contract workers	NGOs	Govt. agency	Independent growers
		Indigenous people	Contractors	Others (Please specify)	
Supply base sampled	:				
Changes since the last audit	:				
Report approved by	:		Approval date :		

RSPO PUBLIC SUMMARY REPORT

SUMMARY OF INFORMATION

TABLE 1

	STAGE 2 / RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period	August 2015 – July 2016	August 2016 – July 2017	September 2017 – August 2018		
Certified FFB Processed (MT)	141,982.50	176,730.00	202,820.00		
Production of Certified CPO (MT)	32,746.37	40,648.00	48,169.75		
Production of Certified PK (MT)	7,113.08	9,278.00	9,633.95		
Certified Areas (Ha)	7,489.58	^9,809.57	11,434.17		
Planted Areas (Ha)	7076.00	8831.00	9,880.00		
Production Areas (Ha)	6,067.00	^7,026.00	7,389.00		
HCV Areas / Conservation Areas (Ha)	*0.15	**15.16	18.84		
REMARKS	*Not inclusive of Detas and Merchong estates	**Total for all supply bases ^Includes Leepang A	1. Laukin A Estate (1,564.90Ha*) transferred from Pukin CU to Bukit Leelau CU. 2. The certified area of Leepang A Estate has been corrected to 2,403.70Ha* (1603.00Ha + 800.70 Ha). 3. HCVs area for 2016 was 15.16Ha. The increase of area due to additional supply base Laukin A Estate in 2017 (HCV area = 3.68Ha). *Refer to Table 5: Planted and certified area of the CU and land title as reported in Indicator 2.2.1.		

TABLE 2

	PO	PK
Last years certified volume (MT)	40,648.00	9,278.00
Last years actual certified sold (MT)	28,015.27	2,300.00
Last years actual sold under other schemes (MT)	0.00	0.00
Last years sold conventional (MT)	10,899.70	5,656.03
New year certified volume (MT)	48,169.75	9,633.95

Table of contents	Page
1.0 AUDIT PROCESS	6
1.1 Certification body	6
1.2 Qualification of audit team	6
1.3 Audit methodology	6
1.4 Stakeholder consultation	7
1.5 Audit plan	7
1.6 Date of next audit	7
2.0 SCOPE OF CERTIFICATION AUDIT	7
2.1 Description of the certification unit	7
2.2 Description of the Supply Base (including planting profile)	7
2.3 Organization Information / Contact Person(s)	10
3.0 AUDIT FINDINGS	11
3.1 Changes to certified products in accordance to the production of the previous year	11
3.2 Time bound plans including changes and reasons for the changes see below	11
3.3. Overall comment in terms of acceptance or non-acceptance on the changes in the time-bound plan (including details of non-adherence or the conditions justifying a time-bound plan have changed)	11
3.4 All associated smallholders (including scheme smallholders) where their fruit supply is included , by the mill, are audited within 3 years from when their fruit was first included in the mill certification.	11
3.5 Any new acquisition which has replaced primary forests or HCV areas	11
3.6 Other changes (e.g. organizational structure, new contact person, addresses, etc.)	11
3.7 Status of previous non-conformities * (refer to Attachment 6)	11
3.8 Complaint received from stakeholder (if any)	11
4.0 DETAILS OF NON-CONFORMITY REPORT	12
4.1 For P&C (Details checklist refer to Attachment 3)	12
4.2 For SC (Details checklist refer to Attachment 5)	12
5.0 AUDIT CONCLUSION	12
6.0 RECOMMENDATION	12
List of Attachment	
Attachment 1 : Map of Bt. Leelau CU	13
Attachment 2 : RSPO Surveillance Audit Plan	14
Attachment 3 : RSPO P&C Audit Checklist And Findings	19
Attachment 4 : Details of Non-conformities and Corrective Actions Taken	49
Attachment 5 : RSPO Supply Chain at the palm oil mill – Identity Preserved Model – Module D	50
Attachment 6 : Status of Non-conformities Previously Identified	52
Attachment 7 : Time-bound Plan	53

RSPO PUBLIC SUMMARY REPORT

1.0 AUDIT PROCESS

1.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS) and the International Automotive Task Force (IATF). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and accredited by ASI on 27 September 2014.

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mohd. Razman Salim	Lead Auditor / Social	Possessed B.Sc. Forestry (Hons) from Universiti Putra Malaysia with more than 6 years of working experience in the Forest Management, forest, HCVF and ecology.
Mohd Ab Raouf Asis	Auditor / Good Agricultural Practices	Obtained qualification in B.Sc. (Hons) Management Technology Majoring Production and Operation from UTHM in 2007. He has been in the plantation industry for 7 years assisting Estate Manager managing palm oil estates. He has been trained as RSPO as well as MSPO auditor.
Mahzan Munap	Auditor / Occupational Health & Safety and Environment	Possessed B.S (Petroleum Engineering) and M.B.A. Had more than 38 years of working experience spanning the Engineering Technical ladder as well as Operation and Management ladder. Experience in plant design, construction and commissioning; factory manufacturing operations and management and through these assignments had indirect responsibility for Safety, Health, Environmental and Quality.
Zulkarnain Abdullah	Auditor / Supply chain	Holds B. Sc. Forestry. Had more than 17 years of working experience related to wood related product. He has successfully completed the accredited Lead Assessor training for RSPO Supply Chain in 2014 and 2015.

1.3 Audit methodology

The audit covered the Bukit Leelau palm oil mill and 3 of its supply base. The sampling of the number of the supply base was using the formula of $0.8\sqrt{y}$. The 3 supply base covered during the audit are Bukit Leelau Estate, Leepang A Estate and Laukin A Estate). The audit included an on-site audit to the estates, mill and settlers' houses (can be expanded) to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

RSPO PUBLIC SUMMARY REPORT

1.4 Stakeholder Consultation

SIRIM QAS International had conducted on site stakeholders consultation with local workers, foreign workers, gender committee representatives, and contractors. There was no negative comment received from them during the interview.

The audit team has made an attempt to interview with headman of Orang Asli during the audit. However, the headman was not in Muadzam during the audit period. The audit team had also tried to contact through phone call however, there was no response from the headman. Four village which are Kg. Asli Tanjung, Kg. Asli Runchang, Kg. Aur and Kg. Gadak under his control.

1.5 Audit plan : Refer to Attachment 2

1.6 Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

The Bukit Leelau Certification Unit is one of the business unit under the IOI Corporation Berhad. The CU consists of Bukit Leelau Oil Mill, Bukit Leelau Estate, Detas Estate, Merchong Estate, Mekassar Estate, Leepang A Estate and recently included the Laukin A Estate. Bukit Leelau Oil Mill, Bukit Leelau Estate, Detas Estate, Mekassar Estate, Leepang A Estate and Laukin A Estate are the subsidiaries of Perusahaan Mekassar(M) Sdn.Bhd. while Merchong Estate is the subsidiary of Syarikat Pukin Ladang Kelapa Sawit Sdn.Bhd. Both Syarikat Pukin Ladang Kelapa Sawit Sdn. Bhd. and Perusahaan Mekassar (M) Sdn. Bhd. are the subsidiaries of IOI Corporation Berhad. The registration of RSPO Supply Chain in the RSPO e-trace for traceability of sustainable crude palm oil is under the name of Perusahaan Mekassar (M) Sdn. Bhd. The Bukit Leelau Oil Mill has a processing capacity of 40 metric tonnes of fresh fruit bunches (FFB) per hour. The mill only received and processed crops from its own estate.

The Bukit Leelau CU was fully developed, hence Principle 7 of the RSPO Principles & Criteria is therefore not applicable. The Bukit Leelau mill hold the certificate for ISCC. However all the estate did not hold any third-party certification on management system.

2.2 Description of the Supply Base (including the planting profile)

The FFB is sourced from company owned estate in the Bukit Leelau CU and others estate which are under IOI Corporation Berhad.

Details of the FFB actual and projected contribution from each source to the mill are shown in the following tables.

RSPO PUBLIC SUMMARY REPORT

**Table 1: Actual FFB production by the supply base for the last reporting period
(September 2016 to August 2017)**

Estates	FFB Production	
	Tonnes	Percentage (%)
Bukit Leelau Estate	19867.91	11.7
Detas Estate	21060.52	12.4
Merchong Estate	45657.92	26.9
Mekassar Estate	26152.85	15.4
Leepang A Estate	41244.59	24.3
Laukin A Estate	14759.05	8.7
*Shahzan IOI 1 (IOI Estate)	362.71	0.1
*Shahzan IOI 2 (IOI Estate)	426.91	0.2
*Pukin Estate (IOI Estate)	234.41	0.3
Total	169766.90	100

*Diversion crop. These estates were certified with Intertek (Cert.No. RSPO 927888)

**Table 2: Projected FFB production by supply base for the next reporting period
(September 2017 to August 2018)**

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Bukit Leelau Estate	23121.19	11.4
Detas Estate	24509.09	12.1
Merchong Estate	53134.20	26.2
Mekassar Estate	30435.26	15.0
Leepang A Estate	47997.17	23.7
Laukin A Estate	23623.09	11.6
Grand Total	202820.00	100.0

**Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period
(September 2016 – August 2017)**

	Total (MT)
FFB Received	169766.90
FFB Processed	169766.90
CPO Production	39715.06
PK Production	8008.66
CPO delivered as IP	28015.27
CPO delivered as non-RSPO certified	10899.70
PK delivered as IP	2300.00
PK delivered as non-RSPO certified	5656.03

**Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period
(September 2017 to August 2018)**

	Total (MT)
FFB Received	202820
FFB Processed	202820
CPO Production	48169.75
PK Production	9633.95
CPO delivered as Identity Preserved	48169.75
PK delivered as Identity Preserved	9633.95

RSPO PUBLIC SUMMARY REPORT

Table 5 Planted and certified area of the CU

Estate	Planted (ha)	Certified (ha)
Bukit Leelau Estate	1,950.00	2,096.00
Detas Estate	2,116.00	2,225.78
Merchong Estate	1,806.00	1,934.40
Mekassar Estate	1,128.00	1,209.39
Leepang A Estate	1,829.00	2,403.70
Laukin A Estate	1,051.00	1,564.90
Total	9,880.00	11,434.17

Table 6 Planting profile for *Bukit Leelau* CU

Estate	Year of planting	Mature >4 years (Ha)	Immature < 3 years(Ha)	Planted area	% of planted area mature	% of planted area immature
Bukit Leelau Estate	1989	817	1133	1950	42.02	57.98
Detas Estate	1982	1156	960	2116	48.25	51.75
Merchong Estate	1986	1408	398	1806	77.96	22.04
Mekassar Estate	1986	1128	-	1128	100	-
Leepang A Estate	2001	1829	-	1829	100	-
Laukin A Estate	2002	1051	-	1051	100	-
Total		7389	2491	9880		

Table 7(a): Planting profile for Bukit Leelau Estate

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1990	First cycle	Mature	488	25
1998	First cycle	Mature	89	5
2014	Second cycle	Mature	240	12
2015	Second cycle	Immature	302	15
2016	Second cycle	Immature	404	21
2017	Second cycle	Immature	427	22
Total			1950	100

Table 7(b): Planting Profile for Detas Estate

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2009	Second cycle	Mature	100	5
2010	Second cycle	Mature	172	8
2011	Second cycle	Mature	350	16
2012	Second cycle	Mature	155	7
2013	Second cycle	Mature	244	12
2014	Second cycle	Mature	135	6
2014	Second cycle	Immature	331	16
2015	Second cycle	Immature	359	17
2016	Second cycle	Immature	270	13
Total			2116	100

Table 7(c): Planting Profile for Merchong Estate

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2003	Second cycle	Mature	203	11
2004	Second cycle	Mature	291	16
2005	Second cycle	Mature	139	8
2006	Second cycle	Mature	367	20
2007	Second cycle	Mature	264	15
2008	Second cycle	Mature	144	8
2010	Second cycle	Mature	398	22
Total			1806	100

RSPO PUBLIC SUMMARY REPORT

Table 7(d): Planting Profile for Mekassar Estate

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2004	Second cycle	Mature	301	27
2005	Second cycle	Mature	285	25
2006	Second cycle	Mature	161	14
2008	Second cycle	Mature	101	9
2009	Second cycle	Mature	280	25
Total			1128	100

Table 7(e): Planting Profile for Leepang A Estate

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2001	Second cycle	Mature	430	24
2002	Second cycle	Mature	1399	76
Total			1829	100

Table 7(f): Planting Profile for Laukin A Estate

Year of planting	Planting cycle (Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2002	First cycle	Mature	1051	100
Total			1051	100

2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

IOI Group

Name	:	Mr. Dickens Mambu
Position	:	Manager – Sustainability
Address	:	IOI City Tower Two, Persiaran IRC 2, IOI Resort City, 62502 Putrajaya, Malaysia.
Phone no.	:	+603 8947 8701
Fax no.	:	+603 8943 2266
Email	:	dickens.mambu@ioigroup.com

Contact person (at Bukit Leelau CU)

Name	:	Mr. Mohamad Hamdan Bin Alias
Position	:	Acting Mill Manager
Address	:	KM 75 Kuantan - Segamat Highway, Muadzam Shah, Pahang, Malaysia
Phone no.	:	+609 5460766
Fax no.	:	+609 5460115
Email	:	blm@ioigroup.com

RSPO PUBLIC SUMMARY REPORT

3.0 AUDIT FINDINGS

3.1 Changes to certified products in accordance to the production of the previous year

The CU had updated its time bound plan of RSPO certification status of all its CUs. Details on RSPO Certification progress against time-bound plan are shown in the Attachment 3.

3.2 Progress and changes in time bound plan (Refer to Attachment 3 for the time bound plan)

- i. Have all the estates under the parent company been certified? Yes No

If no, comments on the organization's compliance with the RSPO partial certification rules :

The company has conducted self-assessment (i.e. internal audit) for their uncertified estates. Based on the results, noted that IOI had complied with the partial certification rules.

- ii. Are there any changes to the organization's time bound plan? Yes No

If yes, comment in terms of acceptance or non acceptance on the changes in the time-bound plan?

The company has listed all certified units and uncertified units clearly in the time bound plan. The uncertified units are in the progress for certification not later than year 2020.

- iii. Are there associated smallholders (including scheme smallholders) in the CU Yes No

If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification? Yes No

If no, please state reasons Bukit Leelau POM only received FFB from their own estates.

- iv. Any new acquisition which has replaced primary forests or HCV areas Yes No

3.3 Other changes (e.g. organizational structure, new contact person, addresses, etc.)

A new Mill Manager (Mr. Mohamad Hamdan Alias) was appointed on 8/5/2017 to replace the previous mill manager.

- 3.4 Status of previous non-conformities * Closed Not closed*

* If not closed, minor non conformity will be upgraded to major non conformity

3.5 Complaint received from stakeholder (if any)

There was no complaint received from stakeholders during on site audit by audit team and at SIRIM QAS International's websites.

RSPO PUBLIC SUMMARY REPORT

4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C (Details checklist refer to Attachment 3) :

Total no. of minor NCR(s)
(details refer to Attachment 4) List : 2 MRS 01 2017 & MRS 03 2017

Total no. of major NCR(s)
(details refer to Attachment 4) List : 2 MRS 02 2017 & MAR 01 2017

4.2 For SC (Details checklist refer to Attachment 5) : NA

Total no. of minor NCR(s)
(details refer to Attachment 5) List : NA

Total no. of major NCR(s)
(details refer to Attachment 5) List : NA

5.0 AUDIT 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.

6.0 RECOMMENDATION

No NCR recorded. Recommended to continue certification.

Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs .

Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.

Recommended to continue certification.


Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

7.0 IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.

Audit Team Leader : Mohd Razman Salim

(Name)

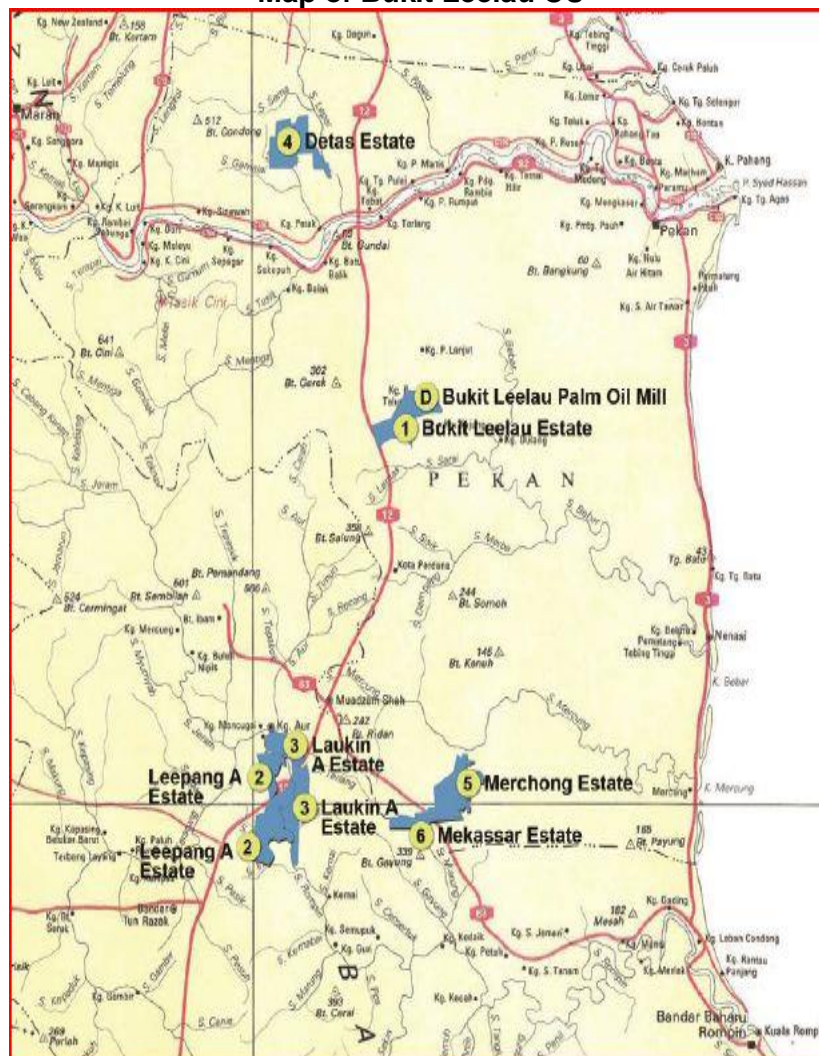


(Signature)

13/11/2017

(Date)

Map of Bukit Leelau CU



RSPO PUBLIC SUMMARY REPORT

Attachment 2

AUDIT PLAN

Day 1: 11 September 2017 (Monday)				
Time	Activities / areas to be visited			
8.30 – 9.00 am	<p><u>Opening meeting at Bukit Leelau POM</u> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes</p> <p>Organization Representative to brief on the following :</p> <ol style="list-style-type: none"> 1) RSPO implementation at Bukit Leelau CU (i.e. mill & supply base) including changes 2) Time bound plan 3) Significant changes on organization activities, machinery, supply bases capacity etc. 			Top mgmt & Committee Member
	Razman	Raouf	Mahzan	
9:00 – 1:00 pm	<p align="center"><u>Bukit Leelau POM</u></p> <p>Coverage of assessment: P1, P2, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Interview workers, GPW, local communities and stakeholders • Training and skill development programmes • Continuous improvement 	<p align="center"><u>Laukin A Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Interview with workers and contractors • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	<p align="center"><u>Bukit Leelau Estate</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Occupational safety & health practice – witness activities at site • Environmental management – witness activities at site • Waste & chemical management • Interview with workers, safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

RSPO PUBLIC SUMMARY REPORT

Day 2: 12 September 2017 (Tuesday)				
Activities /areas to be visited	Razman	Raouf	Mahzan	
8.30 – 1.00 pm	<p align="center"><u>Laukin A Estate</u></p> <p>Coverage of assessment: P1, P2, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Interview workers, GPW, local communities and stakeholders • Training and skill development programmes • Continuous improvement 	<p align="center"><u>Laukin A Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Interview with workers and contractors • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	<p align="center"><u>Leepang A Estate</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Occupational safety & health practice – witness activities at site • Environmental management – witness activities at site • Waste & chemical management • Interview with workers, safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

RSPO PUBLIC SUMMARY REPORT

Day 3: 13 September 2017 (Wednesday)						
Activities /areas to be visited	Razman	Raouf	Mahzan	Zulkarnain		
8.30 – 1.00 pm	<p align="center"><u>Bukit Leelau Estate</u></p> <p>Coverage of assessment: P1, P2, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Interview workers, GPW, local communities and stakeholders • Training and skill development programmes • Continuous improvement 	<p align="center"><u>Bukit Leelau Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Interview with workers and contractors • Good Agricultural Practice-witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	<p align="center"><u>Laukin A Estate</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Occupational safety & health practice – witness activities at site • Environmental management – witness activities at site • Waste & chemical management • Interview with workers, safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	<p align="center"><u>Bukit Leelau POM</u></p> <p>RSPO Supply Chain implementation including the model used</p> <ul style="list-style-type: none"> • General Chain of Custody System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims 	Guide(s) for each assessor	
1.00 – 2.00 pm	Break					
2.00 – 5.00 pm	Continue assessment					Guide(s) for each assessor

RSPO PUBLIC SUMMARY REPORT

Day 4: 14 September 2017 (Thursday)				
Activities /areas to be visited	Razman	Raouf	Mahzan	
8.30 – 1.00 pm	<p align="center"><u>Leepang A Estate</u></p> <p>Coverage of assessment: P1, P2, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Interview workers, GPW, local communities and stakeholders • Training and skill development programmes • Continuous improvement 	<p align="center"><u>Leepang A Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Interview with workers and contractors • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	<p align="center"><u>Bukit Leelau POM</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Occupational safety & health practice – witness activities at site • Environmental management – witness activities at site • Waste & chemical management • Interview with workers, safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

RSPO PUBLIC SUMMARY REPORT

Day 5: 15 September 2017 (Friday)				
Activities /areas to be visited	Razman	Raouf	Mahzan	
8.30 – 1.00 pm	<p align="center"><u>Bukit Leelau POM</u></p> <p>Coverage of assessment: P1, P2, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Interview workers, GPW, local communities and stakeholders • Training and skill development programmes • Continuous improvement 	<p align="center"><u>Leepang A Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Interview with workers and contractors • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	<p align="center"><u>Bukit Leelau POM</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Occupational safety & health practice – witness activities at site • Environmental management – witness activities at site • Waste & chemical management • Interview with workers, safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	Guide(s) for each assessor
1.00–2.00 pm	Break			
2.00 – 4.00 pm	<ul style="list-style-type: none"> • Continue assessment on unfinished area • Verification on outstanding issues • Audit Team discussion, preparation on audit findings and issuance of NCR (if any) 			Guide(s) for each assessor
4.00 – 5.00 pm	Closing meeting			Top management & Committee member

RSPO PUBLIC SUMMARY REPORT

Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision -making.	1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Major Compliance	YES	Bukit Leelau POM, Bukit Leelau Estate, Leepang A Estate and Laukin A Estate continued to use the 'Stakeholder Request Procedure' in it IOI Group Social Impact Assessment (SIA) Index 10.0 which is available on its website www.ioigroup.com . In addition to that on the website, information was also disseminated during meetings. Noted no request of information so far by any of the stakeholders related to safety, environment and social issue.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	YES	All requests, complaints or suggestions from internal and external stakeholders related to social, cultural and economic issues and the responses were recorded in the Grievance/Complaints Book (Green Book). Among the external records of communications sighted were communication with DOSH and BOMBA for all estates. All records had dates of complaint and dates attended to and by whom. The latest complaint recorded were related to repairs to worker' quarters, dated between June and Aug 2017. Actions had been taken accordingly.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1	Land titles/user rights (Criterion 2.2);	YES	Publicly available. Cross refer to Criterion 2.2.
		Occupational health and safety plans (Criterion 4.7);	YES	Publicly available. Cross refer to Indicator 4.7.1.
		Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	YES	Publicly available. Cross refer to Criterion 5.1 and 6.1.
		HCV documentation summary (Criteria 5.2 and 7.3);	YES	Publicly available. Cross refer to Criterion 5.2.
		Pollution prevention and reduction plans (Criterion 5.6);	YES	Publicly available. Cross refer to Criterion 5.6.
		Details of complaints and grievances (Criterion 6.3);	YES	Grievance book is publicly available. Cross refer to Criterion 6.3.
		Negotiation procedures (Criterion 6.4);	YES	Grievance Procedure for Land Owner Issues (incorporated in SIA Management Plan and Continuous Improvement) is publicly available. Cross refer to Criterion 6.4.

RSPO PUBLIC SUMMARY REPORT

		Continual improvement plans (Criterion 8.1);	YES	Continual improvement plans for Bukit Leelau CU has been reported in the indicator 8.1. The continuous improvement plans was established and updated accordingly by the Executives from the Sustainability Department
		Public summary of certification assessment report;	YES	The public summary of Bukit Leelau CU had been published in the SIRIM QAS International website: http://www.sirim-gas.com.my/sirim/core-files/uploads/2017/10/IOI-Corp-Berhad-Bukit-Leelau-ASA-1-2016-RSPO-Public-Summary-Report.pdf
		Human Rights Policy (Criterion 6.13).	YES	Publicly available. Cross refer to Criterion 6.13.1
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	YES	Policy entitled "Code of Business Conduct & Ethics" dated October 2012 is available. Coverage of the policy included : <ul style="list-style-type: none"> • A respect for fair conduct of business (under the title "Fairness") • Bribery – under the title "Dealing with Conflicts of Interest"

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators	Comply Yes/No	Findings
C 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 Compliance	YES	Bukit Leelau POM, Bukit Leelau Estate, Laukin A Estate, and Leepang A Estate did not hire underage persons to work in the estates, thus did not contravene the Children and Young Persons (Employment) Act 1966 (Act 350), the Malaysian Labour Laws (Am. Act A1238) and their own policy. Foreign workers were all legally recruited with valid Passports and Work Permits. Terms and condition of employment based on Employment Contract was found to be in accordance to the Employment Act. Relevant licences and permits such as MPOB license, Energy Commission, Domestic Trade Ministry for diesel were valid. CHRA also was reviewed and found to be valid for the audited period. Bukit Leelau CU continued practiced specific annual medical surveillance for chemical handler and pesticide operators, and documented action to treat related health conditions. Medical Surveillance was carried out as recommended in the CHRA conducted in April 2014 by appointed competent person.
	2.1.2 A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	YES	The Bukit Leelau CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that are applicable to them. Each estate and mill had its own Legal and Other Requirements Register and were being evaluated individually annually for compliance. The legal registers were updated by the person in-charge and approved by the respective managers. A Legal Requirements Register had been established and made available during the assessment at all the visited sites.

RSPO PUBLIC SUMMARY REPORT

	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	The CU maintained its mechanism for ensuring that all applicable legal requirements were implemented. The mechanism was by the implementation of internal audit by its Sustainability Team through evaluation of compliance exercise against the legal register. The latest evaluation was conducted in May 2017 for Bukit Leelau POM, Laukin A Estate, Leepang A Estate and Bukit Leelau Estate by Sustainability Department. The evaluation has provided specific result of conformity for each of the operating units against their respective written applicable legal requirements.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	The system for tracking changes is defined in "Mechanism of Tracking Law Changes" flowchart. The Sustainability Department is responsible to track any change in the law. Various mediums such as internet, media, updates from association etc used to track changes.
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance	YES	All the visited operating units have the copies of their land titles kept at their administration office.
	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. Minor Compliance	NO	There were issues where some boundary marks were not available between the estates and forest reserve and neighbouring villages. A Minor NCR MRS 01 2017 was raised by auditor.
	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. Minor Compliance	YES	There was no land conflict and evidence of land claim at Bukit Leelau Estate, Leepang A Estate and Laukin A Estate. However, auditor had made an attempt to interview with headman of Orang Asli during the audit. Unfortunately, the headman was not in Muadzam during this audit. Phone calls were not answered.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance	YES	There was no significant land conflict and evidence of land claim at Bukit Leelau Estate, Leepang A Estate and Laukin A Estate. Cross refer to Criterion 6.4.3.

RSPO PUBLIC SUMMARY REPORT

	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). Minor Compliance	YES	There was no significant land conflict and evidence of land claim at Bukit Leelau Estate, Leepang A Estate and Laukin A Estate. Cross refer to Criterion 6.4.3.
	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. Major Compliance	YES	There was no evidence that oil palm operations have instigated violence. Instead, peace and order was being maintained in the Bukit Leelau CU current and planned operations.
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance	YES	Evidence of ownership (cross refer to Criterion 2.2) was sighted. There is no disputes on land rights.
	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 and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company	YES	Since there is no case involving land disputes in the CU, this indicator is not applicable.

RSPO PUBLIC SUMMARY REPORT

		has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	YES	This indicator is not applicable as there is no land dispute in the CU.
	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	YES	This indicator is not applicable as there is no issue on legal, customary or user rights of other users without their free, prior and informed consent.

Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

Clause	Indicators	Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	All sites visited maintained to have minimum 4 years business plans. At the estates, the budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance, etc. Attention was given to crop projection, cost of production, cost per ton and per hectare indicators to monitor the performance of each operating unit. The cost of production was reviewed and compared against expenditure each year with projections in place for future years.

RSPO PUBLIC SUMMARY REPORT

	3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance	YES	Noted that no replanting program for Leepang A Estate and Laukin A Estate in next 5 years. There were replanting program in FY 2017/2018 and FY 2018/2019 for Bukit Leelau Estate and no replanting until FY 2026/2027.
--	-------	--	-----	---

Principle 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS

Clause	Indicators	Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES Bukit Leelau CU adopted the following documented manuals and documents as their standard operating procedures: <ol style="list-style-type: none"> 1. Standard Operating Procedures (StOP). 2. Safe Operating Procedure (SaOP) 3. Group Environmental Impact Assessment and Management Action Plans (GEIA) 4. IOI Group Policy Documents. 5. Oil Palm Agricultural Policy (OPAP) Among the estate operations covered by the procedures were Buffalo harvesting and healthcare, oil palm nursery, land clearing and preparation, planting technique, cover crop, fertilizer application, weeding, pest and disease, harvesting and crop evacuation, road maintenance, workshop, foliar sampling etc. The simplified versions of StOP and SaOP in Bahasa Malaysia were made available in office, muster ground, general store, chemical stores notice & sign boards. Safety procedure sign boards were also noticed placed in various places like in line site and in the fields.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	YES All of the estate manager has overall responsibility for the implementation of estates and common procedures listed above in Indicator 4.1.1. Among the mechanism was sighted in Bukit Leelau CU were fertilizer application monitoring sheet which covering on fertilizer application quality, supervision, timing of fertilizer application, PPE, worker productivity and ground condition. Other than that was safety and health internal audit report that emphasizing on safety and health, RSPO Internal Audit Report, Plantation Controller Report mainly reporting on operation matters and productivity and Agronomist Report.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES Relevant records on implementation and monitoring of StOP, OPAP etc at the CU were clearly verified. Among the records sighted were: Program sheets, Field cost books, Plantation Controller reports, Agronomic reports, Audits by Sustainability Officers, Harvesting Interval records, Rat baiting records, Fertiliser application records, Monthly Progressive Reports, , scheduled wastes records, PPE Checklist etc. Most records are being maintained for more than a year and some much longer.

RSPO PUBLIC SUMMARY REPORT

	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	YES	The mill did not receive any uncertified FFB since this CU is under Identity Preserved Model.
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	Bukit Leelau CU practiced the maintenance of long-term soil fertility by annual application of fertilizer based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields), EFB application and solid POME application in some fields. During replanting palms were felled, chipped, windrowed and left to decompose in the field. Fertiliser application, which was of paramount importance for maintenance of soil fertility, was carried based on the recommendation made by the Agronomist of IOI Research Centre located in Batang Melaka, Negeri Sembilan. Annual fertiliser recommendations were made based on annual foliar sampling and soil sampling.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Fertiliser application program was monitored using records like program sheets, bin cards, field cost book, Fertiliser Application monitoring forms, etc. Records of programs and applications of fertilisers were made available to auditors.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	From the Agronomist reports it was established that at all estates annual foliar and soil sampling to monitor changes in nutrient status had been carried out. The annual foliar sampling to determine the nutrients levels of N, P, K, Mg, Ca & B was carried out as per the established SOP Item 15 in the StOP manual. The results of the foliar and soil analysis formed the basis for the fertiliser recommendations to maintain and improve soil fertility.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	YES	Bukit Leelau Estate, Laukin A and Leepang A Estate had a nutrient recycling strategy in place which included stacking pruned fronds in the respective fields to decompose, grass cutting harvesters paths and letting the cut mass to decompose in the field, EFB mulching and application of Solid POME. In addition, during replanting, palms were felled, chipped, windrowed and left to decompose. No EFB and POME application in Leepang A Estate.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	YES	Based on the soils maps, there were no fragile/marginal soils in Bukit Leelau Estate, Laukin A and Leepang A Estate. The soil series come with the characteristics such as texture, depth, drainage, parent material and key aspect for management.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	YES	Bukit Leelau CU continued to comply with the management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. In Bukit Leelau CU the undulating and hilly areas were terraced. It was also observed that practices to minimise and control erosion and degradation of soils were also advocated through proper stacking of fronds, EFB application, avoidance of blanket spraying, road maintenance and maintenance of soft vegetation in interlines. No bare ground was sighted during the visit.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	During the field visit, it was noted that the road conditions were well maintained in all estates. Accessibility were made possible by regular maintenance guided by its road maintenance programmes. The program had been supported by adequate provisions in the budgets. Surface run off water from roads were well directed into fields and drains with well cambered roads and road sided drains.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A	NO	<u>Laukin A & Leepang A Estate</u> No peat soil observed based on soil map given and as per field visit.

RSPO PUBLIC SUMMARY REPORT

		documented water and ground cover management programme shall be in place. Major Compliance		<u>Bukit Leelau Estate</u> Bukit Leelau Estate had maintained water level monitoring but, an annual average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a network of appropriate water control structures e.g. at the discharge points of main drains, the reading found to be wrong method at wooden stick (field 98A). A Major NCR MAR 01 2017 was raised.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	YES	<u>Laukin A & Leepang A Estate</u> No peat soil observed based on soil map given and as per field visit. <u>Bukit Leelau Estate</u> The estate have conducted the drainability assessments dated in Aug 2017 to the following field involved PM98A and according to the IOI Zero Peat Policy, the field recommended not to do replanting.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	YES	Not applicable as there were no other fragile and problem soils in Bukit Leelau CU.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place. Minor Compliance	YES	The CU maintained its water management plans. The plans were periodically review. The last review was on 28/8/2017. The water management plans contain soil water abstraction, treatment, storage, monitoring, conservation, pollution prevention, wastewater treatment and discharge as well as domestic usage.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones shall be demonstrated. Major Compliance	YES	Bukit Leelau Estate, Leepang A Estate and Laukin A Estate had continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways within the estate. During the site audit at the estates, it was noted that buffer zones were allocated along the natural waterways. Signage and red paint on oil palm trunk were used as demarcations of the buffer zones. The width of the buffer zone varies depending on the width of the river in accordance to the DID specifications. The boundary marker for buffer was sufficient and maintained. It was clear that IOI had a policy to maintain the buffer by restricting agrochemicals application. There was no sign of agrochemicals applied.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations. Minor Compliance	YES	The mill treated their effluent in accordance to the terms and conditions laid out by DOE. The analysis of treated POME is conducted monthly by an independent laboratory. Review of the monitoring reports confirmed that the final discharge had complied with the standard stipulated by DOE.
	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	YES	Average water consumption in 2016 was 1.68_m ³ /FFB processed.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	YES	Bukit Leelau CU continued to have in place a documented IPM system. The IPM program among others included pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and wild boar. The IPM technique for rats included rearing barn owls, bagworm control included the planting of beneficial plants, and for rhinoceros beetles it was by using pheromone trap. The implementation was monitored by rat damage, bag worm attack, barn owl population census and records on planting beneficial plants. The major pest attack in the CU was by rats.

RSPO PUBLIC SUMMARY REPORT

Integrated Management techniques.	Pest	4.5.2	Training of those involved in IPM shall be demonstrated. Minor Compliance	YES	It was evident that training of those involved in IPM implementation was carried in Bukit Leelau CU. Training records reviewed.
C 4.6 Pesticides are used in ways that do not endanger health or the environment		4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	YES	Justification of all pesticides used had been documented in Standard Operating Procedure on Sustainability. The use of selective products that are specific to the targeted weed had been demonstrated in the Group Standard Operating Procedure and other internal document.
		4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance	YES	All estates had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, cost books and in progress reports.
		4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	YES	Bukit Leelau CU continued to plant nectariferous beneficial plants (<i>Cassia cobanensis</i> , <i>Antigonan leptopus</i> and <i>Turnera sublata</i>) as part of the IPM plan. Nurseries were available for continuous planting to reduce use of insecticides on bagworms and for control of rats included rearing barn owls (<i>tyto alba</i>). EFB was applied in single layers in order to prevent the breeding of Rhinoceros beetles. In flat and undulating areas where Oil Palm had been planted on un-terraced areas, harvesting paths were grass cut to control noxious weeds. Furthermore, spraying of weeds was carried out as programmed and control of other leaf using pesticides only when pest outbreak was above thresh hold levels. There was no evidence on prophylactic use of pesticides in Bukit Leelau CU.
		4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under	YES	All pesticides used were those officially registered under the Pesticide Act 1974, The Bukit Leelau CU had used only Class II, Class III & Class IV pesticides. No illegal agrochemicals (stated by local and international laws) in particular paraquat were used or found.

RSPO PUBLIC SUMMARY REPORT

	the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance		
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance	YES	Pre-mixing of agrochemical was practiced at the estate stores for delivery to field. This is to avoid human exposure to concentrated chemicals and it was confirmed that no in-field mixing of agrochemicals by sprayers were observed. The pre-mixing was done by the Mandore. All staff and workers such as the storekeeper, mandores, sprayers, fertilizer applicators and rat bait applicators who handled, used or applied pesticides had been trained and they had understood of the hazards and how to handle the chemicals in a safe manner. The trade and generic names of the chemicals and the precautions attached to the products were made known to the workers through the SDS training. All of them were given PPE and instructions on its use were demonstrated in the SaOP. They were told to wash their PPE at the pesticide mixing area in a specially constructed wash area. This eliminated the need to take their PPE home and therefore avoid the risk of cross contamination with family members. Please refer to criterion 4.8.2 for pesticide handlers training.
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	YES	During the audit it was observed that the storage of chemicals used by the estates were stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. The stores were pad locked, posted with safety signages requiring those entering to wear respirator, goggle, safety shoes and gloves. The stores are ventilated. Liquids pesticides were placed in secondary containment to contain spillage occurrence, if any. Only authorised personnel have access to the chemical store. All empty pesticides containers were triple rinsed in accordance to the established SOP and disposed of responsibly through approved contractor.
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	The Safety Procedures for pesticides application were well described in Safe Operating Procedure-Spraying of Chemicals, Highly toxic chemicals, Application of Fertilizer Using Machine or Manual and Rat Baiting which the CU complied. In addition to the Safety Procedures, Safety Data Sheet information of each chemical had been made known through training with emphasis on its danger, precautionary measures to be observed including the use of PPE.
4.6.8	Pesticides shall be applied aerially only where there is documented justification.	YES	Aerial spraying was not practiced in Laukin A Estate, Leepang A Estate and Bukit Leelau Estate and there was no evidence to show that any had been carried out.

RSPO PUBLIC SUMMARY REPORT

	Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance		
4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. Minor Compliance	YES	The Bukit Leelau Palm Oil Mill did not purchase any smallholders crop and therefore training on pesticides handling for them is not applicable. The mill processed FFB from IOI own estates. Training for pesticides handling for field sprayers, rat bait applicators and fertilizer applicators were carried out at the respective estates. See Criterion 4.8.2 for details.
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance	YES	The CU waste management and disposal plan had included identifying and monitoring sources of waste and pollution. Wastes were managed in accordance to waste management and disposal plan, which is documented in the Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plans, which covered each operating unit. Wastes are managed as below a) Domestic waste - segregated for recycling. Recyclable wastes collected for sale. Organic waste disposed in landfill. b) Scheduled wastes - disposed as per scheduled waste requirements. c) Solid biomass and industrial wastes - Reused at mill or estate operation. E.g.: - shell and fibre reused as fuel in mill operation. - EFB, decanter cake and pruned fronds reused for nutrient recycling in estate. Each house was provided with dustbin and empty fertilizer bags. Domestic waste was put into the empty fertilizer bag. The bag was then put inside the bin. The wastes were removed weekly and the line-sweepers removed all recycle items like plastic, glass, paper and metal to a recycle item store. The balance of domestic waste was tied and buried in landfills and recycle items disposed to vendors. Landfills were operated as per SOP and had dates of opening and closing and were fenced with tapes and barb wires. It was evident, through sighting and interviews that Management and employees were aware on issues pertaining to waste management.
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	YES	Bukit Leelau POM, Bukit Leelau Estate, Leepang A Estate and Laukin A Estate continued practiced specific annual medical surveillance for chemical handler and pesticide operators, and documented action to treat related health conditions. Medical Surveillance was carried out as recommended in the CHRA conducted in April 2014 by appointed competent consultant.
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	YES	IOI has a policy in the OSH manual that stated “no work with pesticides shall be undertaken by pregnant or breast-feeding women”. All estates visited (Bukit Leelau, Leepang A and Laukin A) adhered to this policy. It was noted that all workers handling pesticides in the three estates were males.

RSPO PUBLIC SUMMARY REPORT

<p>C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>	4.7.1	<p>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 Compliance</p>	YES	<p>The CU continued adopting the IOI Group's Occupational Safety and Health Policy. The policy had been communicated to all employees through briefings and being displayed on the estates and mill notice boards. A safety and health plan (2017) for each estate and a safety management plan (2017) for the mill had been established, implemented and monitored monthly.</p> <p>In addition to the OSH Policy, the CU adopted a specific procedural document for safety known as Safe Operating Procedure (SaOP). The objective was a safe working environment and therefore Supervisors and Mandores kept reminding them of the need to always be on the look-out for hazards and the avoidance of risks. Random interviews with employees showed that they generally understood the basic requirements of the policy and the Safe Operating Procedure. The visited sites showed that the OSH rules were adhered to by employees such as wearing of PPE and following safety signage.</p>
	4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance</p>	YES	<p>The OSH plan sighted had continued to address among others issues related to hazard identification, risk assessment and risk control (HIRARC), emergency preparedness, response and recovery, treatment of illness/injury during the job, compliance with Use of Chemicals Hazardous to Health Regulations 2000, HIRARC register was reviewed annually and updated accordingly as in the case in determining controls following an occurrence of accident.</p> <p>The HIRARC and CHRA that had been carried out covered all activities in the estates and the mill. It included chemical mixing and spraying, harvesting, FFB evacuation, transportation to the ramps and mill in the estates, and, boiler operation, FFB sterilization, kernel extraction and oil extraction and clarification in the mill. Appropriate risk control measures had been determined and implemented. For examples,</p> <ul style="list-style-type: none"> • designated chemical mixing area, pesticide and fertilizer stores and trained operators to handle chemicals • in the estate eye wash and shower room were made available at chemical mixing area; • a vehicle safety checklist was used to check the condition of the estate vehicle prior to being used; • in the mill, machines which have moving parts had been well guarded, emergency evacuation route marked, oxygen and acetylene gas bottles restrained, and safety signages displayed were to OHS requirements.
	4.7.3	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance</p>	YES	<p>Safe working practices training to all workers involved in field operations were given as mentioned above in 4.7.1 and in criterion 4.8. The Safe Operating Procedure, Appendix 6, Contents of OSH Manual element 3.2.2 Competency & Training was used and referred to during training. Adequate and appropriate protective equipment were sighted made available and don by workers at the place of work visited. Among them were safety boots, helmets, goggles, ear plugs, rubber and cotton gloves, aprons and breathing masks. They were provided for hazardous operations like pesticide application, harvesting, machine operations at workshop, raw water treatment, driving of tractors and lorries, FFB Grading, etc. At the mill similar requirements to use the PPE was prominently displayed near each work station.</p>

RSPO PUBLIC SUMMARY REPORT

	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. Major Compliance	YES	The Mill and respective Estate Manager have responsibilities and duty of care for OSH in their areas where they have control and influence. These managers had appointed their mill engineer and assistant estate manager and cadet officers to assist and also be responsible for the OSH implementation. Continuing the practice the mill and estates hold quarterly OSH meetings to discuss OHS matters. The discussions include the following: Minutes were reviewed accordingly. i) Passing of previous minutes and arising matters. ii) Monthly Accident statistics iii) Workplace Inspection iv) Safety programme & training
	4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	YES	The accident and emergency procedures were maintained and instructions were clearly understood by all workers. The assessor tested them to confirm their understanding which was found good. Trained First Aiders and provided with First Aid Kit were present at mill and estates assessed. Contact numbers of mandore, office personnel and emergency service providers were sighted and found correct. These numbers were also seen displayed at estate and mill offices. On-going monitoring of OSH performance was visible as evidence by accident scoreboard been made available at the mill and estates office and updated regularly to show the current OSH performance status. In addition to the above, records of accident including investigation report and forms JKPP 6, 7 and 8 were maintained by Bukit Leelau CU.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	Bukit Leelau CU continued to provide medical care and cover their workers by accident insurance. All local workers were covered by SOCSO as required under the Employee's Social Security Act 1969 while all foreign workers were covered by insurance as per the Workmen Compensation Act 1952.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	The CU continues to monitor the occupational injuries using Lost Time Accident (LTA) metrics. The records were available during the assessment and were verified by the auditor.
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	YES	A documented formal training programme 'Training Summary for Year 2017' and records that covered aspects of RSPO Principles and Criteria was made available to the auditors.
	4.8.2	Records of training for each	YES	Records of employees trained were made available to auditors.

RSPO PUBLIC SUMMARY REPORT

employee shall be maintained.
Minor Compliance

Principle 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

Clause	Indicators		Compl y Yes/No	Findings
C 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 Compliance	YES	As in previous audits, environmental impact assessment had been conducted and addressed in the Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plans for each Operating Unit. Each unit continued to periodically review the documents with the latest review carried out in July 2017. Generally, the assessment had covered relevant activity / operation of each unit that may have significant environmental aspects.
	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. Minor Compliance	YES	There were no significant changes pertaining to activity / operation of each unit or identified impacts that could change the existing action plans. Among those identified include impacts of EFB, boiler smoke, all types of scheduled wastes, POME sludge, and excessive use of pesticides, diesel, petrol, lubricants and domestic waste. Among the mitigation measures developed were SOP, working instructions, training, good housekeeping and engineering controls. Each existing action plan had identified persons responsible for implementation at each unit.
	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. Minor Compliance	YES	Other than actions, the action plan of each unit maintained contain element of monitoring, timeline and responsible persons. The action plans were also being reviewed annually by each unit. The latest review of the document was in July 2017. Nonetheless, there were no significant changes relating to activity / operation of each unit or identified impacts that require change to the existing action plans.
C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that	5.2.1	Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape-level considerations. Major Compliance	NO	Based on the review of the estates' and CU HCV assessment, the HCV area for the CU was at 18.84 ha. Noted that a Major NCR MRS 02 2017 was raised due to the HCV Assessment Report was not updated to include the current information for the worshipped area (HCV6) at Bukit Leelau Estate and map of HCV area at Leepang A Estate.
	5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or	YES	<u>Bukit Leelau Estate</u> HCV Management Action Plans and Continuous Improvement Programme for Bukit Leelau

RSPO PUBLIC SUMMARY REPORT

<p>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.</p>		<p>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. Major Compliance</p>		<p>Estate dated 14 August 2017 was made available for monitoring programme for stream and river (HCV4) and worshipped area for surau and temple (HCV6). Example of HCV programme for 2017 are as Boundary monitoring by Auxillary Police, HCV, ERT and buffer zone training, Demarcation of buffer zone and Maintain the worshipping places. <u>Laukin A Estate</u> The estate has established an action plan for HCV area titled 'HCV Management Action Plans and Continuous Improvement Programme for Laukin A Estate' dated 27 February 2017. Among the programme are Erected and maintain signage of 'no hunting' and 'no fishing' at the forest boundary area, Boundary monitoring by Auxillary Police, HCV, ERT and buffer zone training, and Demarcation of buffer zone. <u>Leepang A Estate</u> The estate has established an action plan for HCV area titled 'HCV Management Action Plans and Continuous Improvement Programme for Leepang A Estate' dated 14 July 2017. Among the programme are Erected and maintain signage of 'no hunting' and 'no fishing' at the forest boundary area, Boundary monitoring by Auxillary Police, HCV, ERT and buffer zone training, Demarcation of buffer zone and Prohibition of workers to disturb the old cemetery.</p>
	5.2.3	<p>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. Minor Compliance</p>	YES	<p>Awareness training pertaining HCV and RTE were provided to staff and workers. Among other, the training contain information about legal and disciplinary actions if found guilty. All the visited estates conducted the training programme on HCV and ERT annually.</p>
	5.2.4	<p>Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p>	YES	<p>There were no RTE reported present in the supply bases. However, the supply bases continued implement action plans such as to conserve the identified areas, boundary monitoring, and buffer zone awareness to staff and workers.</p>
	5.2.5	<p>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. Minor Compliance</p>	NO	<p><u>Bukit Leelau & Laukin A Estate</u> There was no HCV observed set-aside due to existing rights of local communities. <u>Leepang A Estate</u> Leepang A Estate has set-aside an area of several acres at one of the fields for Orang Asli cemetery. Stakeholder consultation with the community had been conducted during initial SIA assessment in 2011. However, negotiated agreement in accordance to FPIC principles to safeguard the cemetery was not evident. Thus, a Minor NCR MRS 03 2017 was raised.</p>

RSPO PUBLIC SUMMARY REPORT

C 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. Major Compliance	YES	All waste products and sources of pollution had been identified and documented as found in the respective site's waste management plan. It had listed the waste product, sources of pollution, mitigation measures, target, and person responsible. Among the wastes that were identified include domestic wastes from household, scrap iron, empty chemical containers, scheduled wastes and mill wastes such as boiler ash, POME, EFB, fibre & shell, decanter cake, etc.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	Empty agrochemical containers were disposed responsibly. They were triple rinsed, pierced and stored in scheduled waste store prior to dispose as scheduled waste. Records of inventory and disposal were evident. Records of empty pesticide containers and its disposal were maintained by the mill and respective estates.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	YES	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented as discussed in Indicator 5.1.3 above. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution during routine operation. The action plan was observed continued to be implemented. On the monitoring of water and effluent discharge, monthly and quarterly report for final discharge were submitted to DOE timely, as required by the written approval. Effluent quality monitoring was also done on a monthly basis, with samples taken at final discharge point and sent for analysis. Results of laboratory showed that the discharges were within permissible limits.
C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance	YES	Plan for improving efficiency of the use of fossil fuels and to optimize renewable energy was observed continued to be implemented and monitored. The Bukit Leelau Mill continued to reuse fibre and shell for fuel. Tractor Service Program and Road Maintenance Program were seen implemented in estate to improve efficiency of usage of fossil fuels. Monthly records of monitoring of fossil fuels and renewable energy were sighted available. Diesel usage in mill continued monitor in liter/FFB processed.
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Major Compliance	YES	IOI had a policy of no burning during replanting under Environmental Management in the Sustainability Policy Statement. All estates visited had not practiced any opening burning and there was no evidence to show that fire had been used for preparing land for replanting.
	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 ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Minor Compliance	YES	The CU had not practiced any opening burning and there was no evidence to show that fire had been used for preparing land for replanting in at Bukit Leelau, Laukin A and Leepang Estates.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	YES	An assessment of identified polluting activities was being conducted and monitored at the mill and at estates of Bukit Leelau, Leepang A and Laukin A. Pollution Identification Environmental improvement action plan was used to identify the waste products and sources of pollution and being reviewed accordingly. At the mill they include gaseous emissions, particulate / soot emissions, effluent discharge and the scheduled wastes and domestic wastes. For estates, the significant environmental receptors to soil were pesticides (spillage), to air were

RSPO PUBLIC SUMMARY REPORT

<p>emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions.</p> <p>Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>				<p>use of fertilisers, diesel/petrol/lubricant consumed by farm tractors and FFB vehicles, motorised road graders. Others include electricity usage, domestic waste dumped at own operated landfill.</p>																																																																								
	5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance</p>	YES	<p>The significant pollutants and greenhouse gas (GHG) emissions had been identified and documented and plans to reduce or minimise were being implemented. Mill to ensure (a) daily collection of EFB by the respective estate and (b) timely collection of dried POME by estates. At the estate level minimize the use of chemical fertilizer by complementing the application of POME and EFB mulching although their use is considered carbon neutral.</p>																																																																								
	5.6.3	<p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance</p>	YES	<p>The CU is using the RSPO PalmGHG Calculator version 3.0.1 to calculate the GHG emission for the estate and the mill. The data input used in the calculation was using the 2016, and it can be confirmed that the data were accurate. Based on the summary report, the following were determined:</p> <p>Milling extraction rate:</p> <table border="1" style="width: 100%;"> <tr> <td>OER</td> <td style="text-align: right;">23.8%</td> </tr> <tr> <td>KER</td> <td style="text-align: right;">5.28%</td> </tr> </table> <p>Mill emissions</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Emission sources</th> <th>tCO₂e</th> <th>tCO₂e/tFFB</th> </tr> </thead> <tbody> <tr> <td>POME</td> <td style="text-align: right;">919.13</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td>Fuel consumption</td> <td style="text-align: right;">1357.82</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td>Grid electricity utilisation</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Export of excess electricity to housing</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Sale of PKS</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Sale of EFB</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">2276.95</td> <td style="text-align: right;">0.02</td> </tr> </tbody> </table> <p>Estate emissions:and sinks (Own Plantations)</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Emission sources</th> <th>tCO₂e</th> <th>tCO₂e/ha</th> <th>tCO₂e/tFFB</th> </tr> </thead> <tbody> <tr> <td>Land Conversion</td> <td style="text-align: right;">98192.33</td> <td style="text-align: right;">9.93</td> <td style="text-align: right;">0.68</td> </tr> <tr> <td>CO₂ Emissions from Fertiliser</td> <td style="text-align: right;">7804.96</td> <td style="text-align: right;">0.79</td> <td style="text-align: right;">0.05</td> </tr> <tr> <td>N₂O Emissions</td> <td style="text-align: right;">6766.49</td> <td style="text-align: right;">0.68</td> <td style="text-align: right;">0.05</td> </tr> <tr> <td>Fuel Consumption</td> <td style="text-align: right;">1260.93</td> <td style="text-align: right;">0.13</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td>Peat Oxidation</td> <td style="text-align: right;">5077.8</td> <td style="text-align: right;">0.51</td> <td style="text-align: right;">0.04</td> </tr> <tr> <td>Sinks</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Crop Sequestration</td> <td style="text-align: right;">-87972.21</td> <td style="text-align: right;">-8.9</td> <td style="text-align: right;">-0.61</td> </tr> <tr> <td>Conservation Sequestration</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">31130.3</td> <td style="text-align: right;">3.15</td> <td style="text-align: right;">0.22</td> </tr> </tbody> </table> <p>The final emissions value per product are:</p> <table border="1" style="width: 100%;"> <tr> <td>CPO</td> <td style="text-align: right;">0.82 tCO₂e/tCPO</td> </tr> <tr> <td>PK</td> <td style="text-align: right;">0.82 tCO₂e/tPK</td> </tr> </table>	OER	23.8%	KER	5.28%	Emission sources	tCO ₂ e	tCO ₂ e/tFFB	POME	919.13	0.01	Fuel consumption	1357.82	0.01	Grid electricity utilisation	0	0	Export of excess electricity to housing	0	0	Sale of PKS	0	0	Sale of EFB	0	0	Total	2276.95	0.02	Emission sources	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB	Land Conversion	98192.33	9.93	0.68	CO ₂ Emissions from Fertiliser	7804.96	0.79	0.05	N ₂ O Emissions	6766.49	0.68	0.05	Fuel Consumption	1260.93	0.13	0.01	Peat Oxidation	5077.8	0.51	0.04	Sinks				Crop Sequestration	-87972.21	-8.9	-0.61	Conservation Sequestration	0	0	0	Total	31130.3	3.15	0.22	CPO	0.82 tCO ₂ e/tCPO	PK	0.82 tCO ₂ e/tPK
OER	23.8%																																																																											
KER	5.28%																																																																											
Emission sources	tCO ₂ e	tCO ₂ e/tFFB																																																																										
POME	919.13	0.01																																																																										
Fuel consumption	1357.82	0.01																																																																										
Grid electricity utilisation	0	0																																																																										
Export of excess electricity to housing	0	0																																																																										
Sale of PKS	0	0																																																																										
Sale of EFB	0	0																																																																										
Total	2276.95	0.02																																																																										
Emission sources	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB																																																																									
Land Conversion	98192.33	9.93	0.68																																																																									
CO ₂ Emissions from Fertiliser	7804.96	0.79	0.05																																																																									
N ₂ O Emissions	6766.49	0.68	0.05																																																																									
Fuel Consumption	1260.93	0.13	0.01																																																																									
Peat Oxidation	5077.8	0.51	0.04																																																																									
Sinks																																																																												
Crop Sequestration	-87972.21	-8.9	-0.61																																																																									
Conservation Sequestration	0	0	0																																																																									
Total	31130.3	3.15	0.22																																																																									
CPO	0.82 tCO ₂ e/tCPO																																																																											
PK	0.82 tCO ₂ e/tPK																																																																											

RSPO PUBLIC SUMMARY REPORT

Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
<p>C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>	6.1.1	<p>A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance</p>	YES	<p>The social impact assessment (SIA) for Bukit Leelau CU has been revised in Aug 2017 titled 'Social Impact Assessment, Management Action Plans and Continuous Improvement Plans for June 2015 – June 2020' for Bukit Leelau POM, Bukit Leelau, Laukin A, Leepang A, Merchong, Detas and Mekassar Estates. There are Orang Asli villages situated surrounding Bukit Leelau Estate. The CU social aspect encompasses socioeconomic, grievances, traditions, corporate social responsibility and also compliance with relevant laws and regulations. Bukit Leelau Estate has reviewed its Social Impact Assessment report in Sep 2017 due to replanting activity as reported in the Section 18.3. The assessment was conducted with internal stakeholders from sprayers, harvesters and nursery worker which covered foreign workers from Bangladesh and Indonesia and also external stakeholder from neighboring estates and villages.</p>
	6.1.2	<p>There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance</p>	YES	<p>Relevant external and internal stakeholders were invited by the estates for a meeting. Latest meeting was conducted in Aug 2017 for Bukit Leelau POM and Estate, in Mar 2017 for Leepang A and Laukin A Estate. The objective of the meeting was to address any social impact, which may arise from the activities of the estate. Based on verification of meeting minutes and interview with some of the stakeholders (estate workers and staff, neighboring private oil palm estate, JAKOA Officer, SMK Muadzam Jaya, canteen operator, veterinar, suppliers and contractors), there was no major issue raised by the stakeholders.</p>
	6.1.3	<p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance</p>	YES	<p>The positive and negative impacts found from the SIA Action Plan, external and internal stakeholders consultation meeting were recorded in SIA report. In the record, there is information about social impacts (both positive and negative), action plans time bound, management reviews and person in-charge. Action plan with responsibilities for mitigating and monitoring the impacts identified in the assessment was established. Records of actions taken to monitor and overcome the negative impacts were available and updated during stakeholders meeting.</p>
	6.1.4	<p>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. Minor Compliance</p>	YES	<p>Progress of action plan was monitored by the management annually, after the stakeholders meeting. Recent reviewed was in Aug 2017 for Bukit Leelau POM and Estate, in Mar 2017 for Leepang A and Laukin A Estate.</p>
	6.1.5	<p>Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance</p>	YES	<p>There was no smallholder scheme in CU.</p>

RSPO PUBLIC SUMMARY REPORT

<p>C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties</p>	6.2.1	<p>Consultation and communication procedures shall be documented. Major Compliance</p>	YES	<p>Consultation and communication procedure for Bukit Leelau CU is outlined in 'Stakeholder Request Procedure', 'Grievances Reporting Flow Chart' and 'Grievance Procedure For Land Owner Issues'.</p>
	6.2.2	<p>A management official responsible for these issues shall be nominated. Minor Compliance</p>	YES	<p>The Assistant Mill and Estates' Managers were appointed as the Social Liaison Officer. They are responsible is to address issues related to social aspects from all the affected interested parties.</p>
	6.2.3	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance</p>	YES	<p><u>Bukit Leelau POM</u> Bukit Leelau POM has updated list of stakeholders titled 'List of Stakeholders Participants'. The list included the contractors/suppliers, local government institutions and agencies. All communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties were discussed through Stakeholder Meeting in Aug 2017 and recorded in the Social Action Plan. <u>Bukit Leelau Estate</u> The estate has reviewed their stakeholders list in Jan 2017. The input from stakeholders meeting was recorded in the Social Action Plan. <u>Laukin A Estate & Leepang A Estate</u> The estate has reviewed their stakeholders list in Aug 2017. The input from stakeholders meeting was recorded in the Social Action Plan.</p>
<p>C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p>	6.3.1	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle-blowers, where requested. Major Compliance</p>	YES	<p>The system dealing with complaints and grievances is guided by "Grievance Procedure". The procedure includes the mechanism of receiving, recording and addressing any complaints/grievance from affected parties. Bukit Leelau CU keeps a Grievance/Complaints Book. The aggrieved parties could either fill in the complaint form in the Green Book or submit the complaint verbally to anyone in the main office or to the responsible official on social issues or to the workers' representatives or gender representatives who would then fill in the complaint form on their behalf. With regards of ensuring anonymity of complainants or whistle-blowers, IOI has its 'Whistle-blowing Policy'.</p>
	6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance</p>	YES	<p>The required was documented in the Green book / Complaints Book.</p>
<p>C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and</p>	6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance</p>	YES	<p>A procedure titled as "Grievance Procedure for land owner issues" is established identifying legal and customary rights and for identifying people entitled to compensation. The procedure also include handling land ownership issues, boundary stones and squatter issues and all related to the process of identifying legal and customary rights and the compensation that they are entitled to.</p>
	6.4.2	<p>A procedure for calculating and distributing fair compensation shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p>	YES	<p>The procedure for calculating and distributing fair compensation had been established in the 'Grievance Procedure For Land Owner Issues'. However, there was no record of implementation as there has been no claim for compensation made against the CU. According to the procedure the calculation and distribution of compensation would be carried out at the company level not at the estate/mill level.</p>

RSPO PUBLIC SUMMARY REPORT

other stakeholders to express their views through their own representative institutions.		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. Minor Compliance		
	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. Major Compliance	YES	During this audit, there was no land conflict and compensation claims at the audited sites. Therefore, this indicator was not applicable. Auditor had made an attempt to interview the headman of Orang Asli during the audit. However, the headman was not available.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES	Auditor has verified payslip for sampled foreign workers at Bukit Leelau CU and confirmed that the CU has followed the new Minimum Wages Order 2016 as directed by the IOI Group HQ titled 'Revised Wages for IOI Workers In Accordance with Minimum Wages Order 2016'.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	YES	The pay and work conditions were stated and documented in the Letter of Employment given to all workers and staff at the CU. Auditor has verified contract of employment for foreign workers from Nepal, Indonesia, Bangladesh, India, and Myanmar. The contract is written in the language that is fully understood by the workers in order to avoid confusion or even charges of differential treatment. During interviews with sampled foreign workers atteh CU, they affirmed that they understood the content of the Offer of Employment/Contract such as working hours, deductions and overtime, holiday entitlement and maternity leave. Content of the Offer of Employment was also explained to them by the estate Social Officer. Noted that the foreign workers' passports were stored in the locker with name of worker, photo, locker number and passport number. The locker key will be given to the employee and a duplicate key will be kept by office's administration.
	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. Minor Compliance	YES	Monitoring of treated water for drinking were evident. Weekly inspection for workers housing had been conducted on weekly basis accordingly.
	6.5.4	Growers and millers shall make	YES	<u>Bukit Leelau POM</u>

RSPO PUBLIC SUMMARY REPORT

		demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance		<p>The mill has monitored of the goods price at the mill's canteen, health of food operator, cleanliness, license/permit and goods in Sep 2017. Discussion on the condition of the canteen with the operator was conducted in order to improve their services as verified through meeting minute titled 'Mesyuarat Kantin'.</p> <p><u>Bukit Leelau Estate</u> The estate has conducted a meeting titled 'Minit Mesyuarat Bersama Pengusaha Kedai Runcit and Pengusaha Kedai Makanan' to monitor and improve the services provided by sundry shop and canteen operator in the estate in Aug 2017.</p> <p><u>Laukin A Estate</u> There is one sundry shop in Laukin A Estate to facilitate its workers access to adequate, sufficient and affordable food and other basic needs. Monitoring of the goods price, health of food operator, cleanliness, license/permit and goods was done by the estate management through meeting with sundry shop operator in Aug 2017 as verified from its meeting minute titled 'Minit Mesyuarat Bersama Peniaga'.</p> <p><u>Leepang A Estate</u> Leepang A Estate has monitored the goods at sundry shop in the estate in Mar 2017 and also discuss any potential issue during stakeholders meeting on the same date. However, there was no negative feedback from both parties.</p>
C 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	YES	Statement of freedom of association was made publicly available at the office and worker's quarters noticeboard titled 'Equal Opportunity Employment and Freedom of Association Policies' as verified at Bukit Leelau CU.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	<p><u>Bukit Leelau POM</u> At Bukit Leelau POM, mill manager has established Employee Committee Meeting to allow worker's representatives to share their opinion, bargain and complaint (if any) through this meeting titled 'Minit Mesyuarat Jawatankuasa Perundingan Pekerja'. Latest meeting was conducted in July 2017 and the meeting minute was kept at mill's office. This meeting was attended by workers representative from local and foreign workers (Myanmar, Nepal, Indonesia) including NUPW representative.</p> <p><u>Bukit Leelau Estate</u> Respective Manager at Bukit Leelau Estate has conducted meeting with worker's representatives in July 2017 as verified through interview with foreign workers and meeting minute titled 'Minit Mesyuarat Jawatankuasa Perundingan Pekerja'.</p> <p><u>Laukin A Estate</u> Auditor has verified a meeting minute titled 'Minit Mesyuarat ECC (Kebajikan Pekerja)' dated in Aug 2017 as a medium for worker's representative from Indonesia, India and Nepal to discuss with management for any issues especially related to their welfare.</p> <p><u>Leepang A Estate</u> The estate has conducted a meeting with workers representatives in Aug 2017 as verified through meeting minute titled 'Mesyuarat Jawatankuasa Kebajikan Pekerja'.</p>

RSPO PUBLIC SUMMARY REPORT

C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	YES	It is also stated in the employment letter (contract agreement), that the age limitation for employment is 18 to 40 years old. Although there is an announcement made by the Immigration Dept. portal that the recruitment age shall be between 18 to 45 years old, IOI HR Dept. choose to put 18 to 40 years old only because the company wants to fully utilize the 5 years' validity of the passport. The IOI Group also has established a policy titled 'Policy Statement for No Child Labour'.
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	YES	Equal opportunity policy is available titled 'Equal Opportunity Employment and Freedom of Association Policies'. There will be no discrimination based on race, national origin, religion, gender, union membership and age.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	YES	Job openings were made available to any qualified person regardless of their socio-cultural, political or gender background. All workers (local or migrant, male or female) were covered by the same pay and conditions of employment associated with the jobs they are hired for. This was confirmed through review of the Offer of Employment to the employees and through consultations with workers. The workers and staff were not discriminated against in any way and their rights not infringed, in accordance with Human Rights Commission of Malaysia Act 1999 (Act 597).
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	YES	For recruitment of workers, only health status will be considered to determine their qualification.
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	There was a published policy entitled on "Policy on the Prevention and Eradication of Sexual Harassment in the Workplace", was made available to employees in Bahasa Melayu, English and other languages spoken and understood by the employees. The communication to employee thru musters and gender meetings were evident.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	A policy to protect the reproductive rights of all, especially of women is available in the "Protection of Reproductive Right Policy". The communication of the policy was through various media such as display on notice board and briefings.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	YES	A specific grievance procedure for sexual harassment case entitled "Sexual Harassment Procedure" was available. As for the anonymity of the complainant, whistle-blower policy is referred to.
C 6.10	6.10.1	Current and past prices paid for FFB	YES	Bukit Leelau POM did not receive any third party crop.

RSPO PUBLIC SUMMARY REPORT

Growers and millers deal fairly and transparently with smallholders and other local businesses.		shall be publicly available. Minor Compliance		
	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. Major Compliance	YES	Not applicable since Bukit Leelau POM does not accept any FFB from third party.
	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. Minor Compliance	YES	Sampled FFB & CPO transporter, contractors and suppliers understood the contractual agreements and that contracts are fair, legal and transparent. All parties keep the contract agreement as reference.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	YES	It was evident that this has been conducted appropriately.
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	YES	This was evident as the CU has employed local staffs and workers for various positions in the Mill and Estates, donation to schools, homes and charities etc.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	YES	Not applicable since no associate scheme smallholders in the CU.
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	YES	There is no evidence that forced or trafficked labour are used at the CU. The visited operating unit has its own database for all its workers.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	No evidence of contract substitution found. Contract agreements were all signed by the workers upon arrival to the workplace premise and given an exact duplicate copy for their retention.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	Bukit Leelau CU does not practice hiring any workers on temporary basis. For foreign workers, there is a special policy for employment of foreign workers titled 'Policy on Foreign Workers'.
C 6.13 Growers and millers respect human rights	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operation. Major Compliance	YES	Policy entitled 'Respecting Human Rights Policy' is available. Communication method were by displaying in strategic workplaces, training and morning roll calls.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the	YES	Not applicable as the CU is not in Sabah/Sarawak.

RSPO PUBLIC SUMMARY REPORT

		plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	
--	--	--	--

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

The CU has no plan for any new planting and no new development of area was observed during the visit. Thus Principle 7 is not applicable. This has been verified through www.globalforestwatch.org , google map and map provided by the visited estate including site visit that there was no new planting at the Bukit Leelau CU.

Principle 8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY

Clause	Indicators	Comply Yes/No	Findings
C 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		
	a)	Yes	<ol style="list-style-type: none"> 1. All estates continued to manage pests, disease and weeds using appropriate IPM techniques. In order to minimize use of insecticides, the estate had established nurseries for beneficial plants mainly <i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>. This was to establish continuity in the planting of beneficial plants 2. The estates were committed to reduce using chemicals and now have implemented and will continue to only spray Circles and noxious weeds. Soft weeds and <i>Nephrolepis bisserata</i> were maintained and encouraged in the inter rows. Where possible, Harvesters' paths were grass cut. This also suppresses growth of noxious weeds and thus reduce use of pesticides for selective weeding too. 3. During replanting <i>Mucuna bracteata</i> were planted to cover chipped palm material to prevent/suppress Rhinoceros Beetle from breeding.
	b)	YES	Bukit Leelau CU had established its Environmental Management Programme to reduce impacts to the environment as identified in their Environmental Aspect Impact Register. Each of the site list out their environmental Objectives, Target, Action Plan and Monitoring, Proposed Completion date and Person

RSPO PUBLIC SUMMARY REPORT

				<p>In-Charge.</p> <p>The CU continued to comply with the management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. It was also observed that practices to minimise environmental impacts were also advocated through proper stacking of fronds, EFB application, avoidance of blanket spraying, planting of beneficial plant, barn owl program and reduce reliance on rat baits, road maintenance and maintenance of soft vegetation in interlines.</p> <p>In general, action plans to mitigate negative environmental impact and to conserve identified HCVs areas continued to be implemented.</p> <p>At the POM, to reduce impacts to the environment, shell and fibre only are used for boiler operation, conduct regular monitoring of effluent water discharge, 3R campaign, regular servicing of shovels, etc.</p>
c)	Waste reduction (Criterion 5.3);	Yes	<p>The CU had established its Waste Management and Reduction Plan to reduce waste that it had identified. At the respective estate visited the following were sighted evident:</p> <ul style="list-style-type: none"> • EFB, decanter cake and pruned fronds continued reused for nutrient recycling in estate. • reuse of wastewater generated from pre-mixing and triple-rinsing. • empty agrochemical containers were disposed responsibly, and • the practice of 3R (Reduce, Reuse and Recycle) for office and household wastes (at line-site). • domestic wastes segregated for recycling. • organic wastes collected and land-filled. • scheduled wastes disposed according to applicable regulation. <p>Mill approach to waste reduction were as follows:</p> <ul style="list-style-type: none"> • effluent quality continued monitored, analyzed and discharge according to applicable regulation. • Fibre & shell were reused as fuel in the boiler. • scheduled wastes disposed according to applicable regulation. • The practice of 3R for office wastes 	
d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Yes	<p>Pollution and GHG emission plans continued to be implemented. These included:</p> <ul style="list-style-type: none"> • monitoring of compliance to applicable requirements of black smoke and dust particulate emission from chimneys by mill. • Road grader, Compactor and Tractor Service Program and Road Maintenance Program to improve efficiency of usage of fossil fuels by estates. • reduce of fertilizer usage by estate via: <ul style="list-style-type: none"> (i) use as per dosage recommendation. (ii) fertilizer application calibration. (iii) use of fertilizer dosage (amount) control spreader. (vi) reuse of EFB and decanter cake. • Increase barn owl occupancy rate and reduce the rat bait usage <p>Records of implementation maintained available. Such examples of records were related to vehicles maintenance, diesel usage, CEMS, stack analysis, fertilizer usage, etc.</p>	
e)	Social impacts (Criterion 6.1);	Yes	<p><u>Bukit Leelau POM</u></p> <p>The CU also has planned to improve facilities in the estate as budgeted in the capital expenditure</p>	

RSPO PUBLIC SUMMARY REPORT

				<p>(CAPEX) such as surau, maintenance of workers and staffs housing for FY2017 such as repainting of workers quarters and replacement of new mosquito net.</p> <p><u>Bukit Leelau Estate</u></p> <ol style="list-style-type: none"> 1. To construct 2 new Semi Detached staff house in financial year 2018/2019 2. To repaint staff houses in this financial year 2017/2018 3. To repaint 12 unit worker quarters in this financial year 2017/2018 and 20 units in financial year 2018/2019 <p><u>Laukin A Estate</u></p> <ol style="list-style-type: none"> 1. To improve condition of worker quarters drain with proper drainage system with cement 2. To install spotlight at linesite area 3. To construct takraw court <p><u>Leepang A Estate</u></p> <ol style="list-style-type: none"> 1. To construct new worker quarters 2. To construct futsal court 3. To upgrade surau to mosque in the estate compound forJumaat prayer
	f)	Encourage optimising the yield of the supply base	Yes	<p>All estates were committed to implement best agricultural practices, inclusive of</p> <ul style="list-style-type: none"> • timely and proper fertilizer, EFB & compost application; • maintain/conserves water by water management, • improve on accessibility to maximise crop evacuation • reduce surface run off water to prevent leaching of fertilisers • improving extended harvesting interval

RSPO PUBLIC SUMMARY REPORT

RSPO Certifications Systems for Principles & Criteria – 26 June 2007

Clause	Indicators		Comply Yes/No	Findings
4.2.4 Organizations that have a majority ¹ holding in and / or management control of more than one autonomous company growing oil palm will be permitted to certify individual management units and/or subsidiary companies only if all the following are complied with:	(a)	RSPO Membership The parent organization or one of its majority owned and / or managed subsidiaries is member of RSPO. The requirements (b) to (j) will be applicable, whether the registered RSPO member is the holding company or one of its subsidiaries;	YES	IOI Corporation Berhad is a parent company of 12 certified units and 8 uncertified units with RSPO Membership No. 2-0002-04-000-00.
	(b)	Time-bound Plan (b) A challenging time-bound plan for certifying all its relevant entities ² is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. The Certification Body will be responsible for reviewing the appropriateness of this plan ³ , taking into account comments received from stakeholders following the public consultation process. Progress towards this plan will be verified and reported on in subsequent annual surveillance assessments (see Annex 4). Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness.	Yes	A challenging time bound plan for certifying all CU was accepted. The time-bound plan should contain a list of subsidiaries, estates and mills. Based on the time bound plan (Refer to Attachment 3), 12 units have been certified after obtaining RSPO membership. And 8 uncertified units are in progress for certification which will be not later than year 2020.

RSPO PUBLIC SUMMARY REPORT

(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed (as provided for in the guidance on surveillance assessments, Annex 4) for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent).	Yes	There was no changes to the current time bound plan as verified during this audit.
(d)	Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance is raised. Where there is evidence of systematic failure to proceed with implementation of the plan, a major non-compliance is raised.	Yes	There was no non-compliances found on the time bound plan and failure in implementing the plan.
(e)	<p>Requirements for uncertified management units and/or holdings</p> <p>No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since January 01st 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;</p>	Yes	<p>Based on the internal audit report for 8 uncertified unit of IOI Group dated in Sept 2017 and time bound plan, there was no new replacement of primary forest or HCV after 1st January 2010 for 4 uncertified units at IOI Pelita (Sarawak), Unico Desa Palm Oil Mill, Unico Palm Oil Mill and Sugut Estate (Sabah).</p> <p>However, for other 4 uncertified units at PT Sukses Karya Sawit, PT Berkat Nabati Sawit, PT Bumi Sawit Sejahtera and PT KPAM, replacement of primary forest after 1 January 2010 were reported. IOI has conducted an internal audit for PT Sukses Karya Sawit, PT Berkat Nabati Sawit, and PT Bumi Sawit Sejahtera in July 2017. IOI Group will submit action plan report to RSPO by 18 September 2017 on these 3 uncertified units. This report will cover the progress made as recommended by Complaint Panel which includes SOPs, Integrated Management Plan, Buffer Zones, Specific training programmes and updates on the Indonesia Laws and regulations. Landscape approach had been initiated with stakeholders, regency, local government and Aidenvironment in July 2017, as a part of recommendation by RSPO verification team. For PT KPAM, Indonesia, this company is in the process to conduct NPP upon completion of HCV report and review by HCVRN. All reports will be posted on the RSPO for Public Consultation.</p>

RSPO PUBLIC SUMMARY REPORT

(f)	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;	Yes	<p>Land conflict was highlighted happening in IOI Pelita (Sarawak), PT Sukses Karya Sawit, PT Berkat Nabati Sawit, PT Bumi Sawit Sejahtera and PT KPAM. The internal audit report highlighted the actions taken to resolve the issues.</p> <p>For IOI Pelita (Sarawak), settlement discussion with local community is still ongoing. A Dialogue and Mediation session with LTK Community was held in Aug 2016. Some preliminary agreements between the parties have been reached. Meeting notes are being finalized. A draft agreement which gives the native community land use right was presented to the LTK A and LTK B communities. It was followed by a meeting for the terms of the settlement agreement. Additional terms were included (by request of the committee) and agreement was formally sent to Miri Residence (mediator) office. IOI will offers for the affected community a 3 acres land for each family and the new location of land is quite a distance from their original settlement.</p> <p>In May 2017, the complaints Panel's response to IOI and Grassroots joint letter was published; stating their response on the three main issues raised – "Mediation' process, Capacity Building Proposal submitted by Grassroots and Community Support For land issue at PT Sukses Karya Sawit, PT Berkat Nabati Sawit, PT Bumi Sawit Sejahtera and PT KPAM, IOI will remove the overplanted area.</p>
(g)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	Yes	Based on internal audit report for uncertified units of IOI Group in Sept 2017, there was no issue on labour disputes for all uncertified units.
(h)	Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	Yes	Based on internal audit report for uncertified units of IOI Group in Sept 2017, there was no issue on legal non-compliance for all uncertified units.

RSPO PUBLIC SUMMARY REPORT

(i)	<p>Certification bodies will assess compliance with these rules for partial certification at each and every assessment of any of the management units (see Annex 4). Assessment of compliance with requirements (e) – (h) by the certification body based on self-declarations only by the Company, with no other supporting documentation, will not be acceptable. Verification of compliance must be based on the following approach: Positive assurance statement, which is based upon self-assessment (i.e. internal audit) by the organisation. This would require evidence of the self-assessment against each requirement. Targeted stakeholder consultation may be carried out by the certification body. If this has already been conducted by a certification body, other certification bodies may request for the summary report through the organization. If necessary, the certification body may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements.</p>	Yes	<p>Based on internal audit report for uncertified units of IOI Group in Sept 2017, the IOI had assessed all uncertified units on the requirements (e) – (h). IOI Group also has made a positive assurance statement for A) Time bound plan, B) Requirements for uncertified management units and/or holdings, and C) Timely Notification of Changes, through an official letter 'Statement of Declaration by Organization (Grower) on the compliance with Rules for Partial Certification as per Time Bound Plan' dated in Oct 2017.</p>
(j)	<p>For requirements (e) – (h), the approach to defining major and minor non-compliance can be applied from the relevant national interpretation. For example, if a non-compliance against a 'major indicator' in a non-certified holding/management unit is identified, the current certification assessment cannot proceed to a successful conclusion until that is addressed.</p>	Yes	<p>There was no non-compliance found for requirements (e) – (h) during this audit.</p>
(k)	<p>Failure to address any of the requirements (e)-(h) may lead to certification suspension(s) (consistent with the RSPO Certification Systems document rules on non-compliance).</p>	Yes	<p>There was no non-compliance found for requirements (e) – (h) during this audit.</p>

RSPO PUBLIC SUMMARY REPORT

Attachment 4

Details of Non-conformities and Corrective Actions Taken for RSPO P&C MYNI 2014

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Auditors
2.2.2	Minor MRS 01 2017	Physical markers was not evident along the legal boundaries particularly adjacent to neighbouring local communities and reserves. Objective evidence: During site visit, auditor has found that physical markers was not evident along the legal boundaries of the visited estates.	Corrective action plan: The estates has took immediate measures to comply with this requirement. Physical markers were placed along the legal boundaries accordingly. As they are unable to mark the whole estate immediately due to vast areas, rough terrain and lack of time and personnel, the estates have prepared a program to progressively mark all the legal boundaries. Verification by auditor: The corrective action plans were accepted. And auditor has received, verified and accepted 'Marking and maintaining legal boundaries programme' for Bukit Leelau Estate, Laukin A Estate and Leepang A Estate from October 2017 to December 2018. Status: The implementation and effectiveness of corrective action plan will be verified during next audit.
4.3.4	Major MAR 01 2017	The subsidence of peat soils monitored but found to be in wrong method. Objective evidence: An annual average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a network of appropriate water control structures e.g. at the discharge points of main drains, the reading found to be wrong method at wooden stick.	Corrective action plan: Water gauge and piezometer have been installed in the proper way to acquire readings. Verification by auditor: The corrective action plan and all evidences were sufficient to close this non-conformity. Status: Closed.
5.2.1	Major MRS 02 2017	Area of HCV attribute and HCV map were not updated in the HCV Assessment Report. Objective evidence: The HCV Assessment Report has yet to update on figure and map of HCV area of Bt. Leelau & Leepang A estates.	Corrective action plan: The HCV Assessment Report and map has been updated for both Bukit Leelau and Leepang A Estate by including the worshipping area and Felcra Gucci. Verification by auditor: The corrective action plan and all evidences were sufficient to close this non-conformity. Status: Closed.
5.2.5	Minor MRS 03 2017	Negotiated agreement to safeguards on HCV area (cemetery) set-asides for local communities was not evident. Objective evidence: Leepang A Estate has set-aside an area of several acres at the Orang Asli cemetery neighboring with the estate. Stakeholder consultation with the community had been conducted during initial SIA assessment in 2011. However, negotiated agreement in accordance to FPIC principles to safeguard the cemetery was not evident.	Corrective action plan: A meeting was held between the chairman of the village and IOI Plantation management in Oct 2017 regarding this issue. A written agreement has been made available. Verification by auditor: The corrective action plan was accepted. Status: Closed.

RSPO PUBLIC SUMMARY REPORT

Attachment 5

RSPO Supply Chain at the palm oil mill - Module D – CPO Mill: Identity Preserved

<p>D.1 D.1.1</p>	<p>Definition To verify: a) the volume of certified and uncertified FFB entering the mill b) the volume sales of RSPO certified</p> <p>The claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>	<p>Since last audit, all FFB received by BUKIT LEELAU POM came from its own supply bass.</p> <p><u>Actual FFB received from September 2016 to August 2017</u></p> <table border="1"> <thead> <tr> <th></th> <th>FFB (Mt)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>RSPO Certified FFB</td> <td>169,766.9</td> <td>100.00</td> </tr> <tr> <td>Non-RSPO Certified FFB</td> <td>-</td> <td>-</td> </tr> <tr> <td>TOTAL</td> <td>169,766.9</td> <td>100.00</td> </tr> </tbody> </table> <p><u>Total production for RSPO products from September 2016 to August 2017</u></p> <table border="1"> <thead> <tr> <th></th> <th>(Mt)</th> </tr> </thead> <tbody> <tr> <td>RSPO Certified CPO</td> <td>39,715.06</td> </tr> <tr> <td>RSPO Certified PK</td> <td>8,008.66</td> </tr> </tbody> </table> <p><u>Actual Volume despatch RSPO products under IP model from September 2016 to August 2017</u></p> <table border="1"> <thead> <tr> <th></th> <th>(Mt)</th> </tr> </thead> <tbody> <tr> <td>RSPO Certified CPO</td> <td>28,015.27</td> </tr> <tr> <td>RSPO Certified PK</td> <td>2,300.00</td> </tr> </tbody> </table>		FFB (Mt)	%	RSPO Certified FFB	169,766.9	100.00	Non-RSPO Certified FFB	-	-	TOTAL	169,766.9	100.00		(Mt)	RSPO Certified CPO	39,715.06	RSPO Certified PK	8,008.66		(Mt)	RSPO Certified CPO	28,015.27	RSPO Certified PK	2,300.00
	FFB (Mt)	%																								
RSPO Certified FFB	169,766.9	100.00																								
Non-RSPO Certified FFB	-	-																								
TOTAL	169,766.9	100.00																								
	(Mt)																									
RSPO Certified CPO	39,715.06																									
RSPO Certified PK	8,008.66																									
	(Mt)																									
RSPO Certified CPO	28,015.27																									
RSPO Certified PK	2,300.00																									
<p>D.2 D.2.1</p>	<p>Explanation Estimate total tonnage of CPO and PK potentially produce in a year</p>	<p>Approximation total tonnage potential to be produced for 2017/2018:</p> <table border="1"> <thead> <tr> <th></th> <th>(MT)</th> </tr> </thead> <tbody> <tr> <td>CPO Production projection for certification for 2017/2018</td> <td>48,169.75</td> </tr> <tr> <td>PK Production projection for certification for 2017/2018</td> <td>9,633.95</td> </tr> </tbody> </table> <p>Tonnage of crude palm oil (CPO) and palm kernel (PK) covered by the certification of BUKIT LEELAU Palm Oil Mill complex certification unit from August 2016 to July 2017</p> <table border="1"> <thead> <tr> <th></th> <th>(MT)</th> </tr> </thead> <tbody> <tr> <td>CPO Production claimed for certification</td> <td>40,648.00</td> </tr> <tr> <td>PK Production claimed for certification</td> <td>9,278.00</td> </tr> </tbody> </table>		(MT)	CPO Production projection for certification for 2017/2018	48,169.75	PK Production projection for certification for 2017/2018	9,633.95		(MT)	CPO Production claimed for certification	40,648.00	PK Production claimed for certification	9,278.00												
	(MT)																									
CPO Production projection for certification for 2017/2018	48,169.75																									
PK Production projection for certification for 2017/2018	9,633.95																									
	(MT)																									
CPO Production claimed for certification	40,648.00																									
PK Production claimed for certification	9,278.00																									
<p>D.2 D.2.2</p>	<p>Explanation 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).</p>	<p>BUKIT LEELAU POM has registered RSPO e-Trace. The member ID is RSPO_PO1000000193 Sample of registration was sighted: Contract Information Transaction ID # TR-b81e4b9a-9326 Seller Contract # S04204B/1705, S04366/1705 and S04389/1705 Announcement date 6/8/2017</p>																								
<p>D.3 D.3.1</p>	<p>Documented procedures The site shall have written procedures and/or work instructions to ensure</p>	<p>a) BUKIT LEELAU POM SOP dated in Dec 2016 describing the procedures on the following activities related on its supply chain certification standard required by the RSPO. The Procedure</p>																								

RSPO PUBLIC SUMMARY REPORT

	<p>the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>was sighted and found all elements were covered which included</p> <ul style="list-style-type: none"> • Responsibilities • Receiving FFB • Process monitoring • Logistic of raw material and finished product • Storage (raw material and finished product) • Production process from raw material(s) to finished product(s) • Management of contamination from non-certified products at the identified critical points • Sales of finished product, including the identification of SCC model used • Method to check the RSPO certification validity of the suppliers • Control of non-conforming products/documents <p>Retention period of keeping the SCC related records such as contract document, purchasing records, delivery records, etc.</p> <p>b) Senior Assistant Mill Manager have overall responsibility and authority over the implementation of the standard requirements and compliance.</p>
D 3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Receiving of certified and non-certified FFB procedure is stated in section 3.2 and "Group Standard Operating Procedure for POM".
D.4 D.4.1	Purchasing and goods in The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	All certified FFB came from BUKIT LEELAU Certification Unit's estates. All delivery documents of certified FFB were verified to ensure the certified status of the FFB. Volumes of certified FFBs received by the mill had been properly recorded and monitored. Refer to table attached. BUKIT LEELAU POM has received 169,766.9 MT of RSPO certified FFB from it's own estates for their processing activities.
D 4.2	The site shall inform the CB immediately if there is a projected overproduction.	There was no overproduction observed. Procedure stated in Para 3.1.6 of SOP.
D.5 D.5.1	Record keeping 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.	For year 2016/2017, BUKIT LEELAU POM monitored their incoming of FFB and outgoing of certified CPO/PK product on three monthly bases (Summary Report – ISCC&RSPO/CSPO Production Monthly Movement). This records contain information about certified FFB received, process, CPO & PK production and todote balance stock (refer attached record).
D 6 D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	Since last audit, BUKIT LEELAU POM only received RSPO certified FFB.
D.6.2	The objective is for 100 % segregated material to be reached.	

RSPO PUBLIC SUMMARY REPORT

Attachment 6

Status of Non-conformities Previously Identified

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Auditors	Verification by Assessor
4.8.1 HO-01	Major	There is no evident that assessment for training need and formal training program implemented for new appointed environmental officers at Merchong and Mekassar Estates, particularly concerning their responsibilities for monitoring of river water quality and ensuring compliance with relevant environmental requirements. Interviewed with them noted that understanding of stream water analysis result for determining compliance yet to improve.	<u>Corrective action by CU:</u> A formal training program for all executives entitled "INTERPRETATION OF STREAM WATER QUALITY FOR MONITORING AND CONSERVATION" was conducted by one of our Chemists from IOI Research Centre, Batang Melaka on 11th, 12th and 13th October 2016 in Gomali Palm Oil Mill Conference Room. Assessments of training were also carried out.	Auditor has verified the training record titled "Interpretation of Stream Water Quality For Monitoring And Conservation" which was conducted on 11th, 12th and 13th October 2016 for new appointed environmental officers. Based on interview, the officer has understood the stream water analysis result and to determine the compliance with legal requirements. Status: Closed.
2.1.3 HO-02	Minor	The evaluation for ensuring compliance with applicable legal requirements conducted on 26/9/16 for Merchong Estate, Mekassar Estate and Bukit Leelau mill only provide generic result of whole CU. It does not provide specific result for each of the operating units against their respective written applicable legal requirements.	<u>Corrective action by CU:</u> We have taken immediate measures by adding a column in the legal register to specify whether the laws were applicable to estates or mill or to both. Management of all operating centres were handed the revised legal register and told to evaluate the legal requirements that were only applicable to them.	The latest evaluation was conducted on 12/05/2017 at Bukit Leelau POM, 2/05/2017 at Laukin A Estate, 2/05/2017 at Leepang A Estate, and on 8/05/2017 at Bukit Leelau Estate by Sustainability Department. The evaluation has provided specific result of conformity for each of the operating units against their respective written applicable legal requirements. Status: Closed
2.1.1 STK-1.2016	Major	Regulation 27 of the 'Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000' was not complied with. Merchong Estate - There was no evidence to show that medical surveillance had been carried out by an occupational health doctor for the 4 workers who carried out trunk injection using the Class 1b pesticide, Methamidophos	<u>Corrective action by CU:</u> Medical Surveillance was conducted on the 4 workers by OSH Doctor.	Bukit Lelau POM, Bukit Leelau Estate, Leepang A Estate and Laukin A Estate continued practiced specific annual medical surveillance for chemical handler and pesticide operators, and documented action to treat related health conditions. Medical Surveillance was carried out as recommended in the CHRA conducted in April 2014. The Medical Surveillance were conducted at Klinik Segamat. Status : Closed

RSPO PUBLIC SUMMARY REPORT

4.1.1 STK- 2.2016	Major	<p>The SOP for planting of beneficial plants is ambiguous.</p> <p>Mekassar & Merchong Estates: At time of audit, there was no clear documented procedure established for the planting of Beneficial Plants such as <i>Cassia cobanensis</i>, <i>Antigonan leptopus</i> and <i>Turnera sublata</i> to assist in bagworm control.</p>	<p><u>Corrective action by CU:</u> A new policy "Group Standard Operating Procedure (StOP) for Planting Beneficial Plants in Estate" dated Dec 2016 had been established.</p>	<p>The auditor sighted the evidence of a new policy "Group Standard Operating Procedure (StOP) for Planting Beneficial Plants in Estate" dated Dec 2016. Status : Closed</p>
4.3.3 STK- 3.2016	Minor	<p>Merchong Estate - At time of audit, roads in Field 07E were not maintained. The roads were badly eroded and in a poor condition making it difficult for vehicles to maneuver.</p>	<p><u>Corrective action by CU:</u> Repair work was carried out on roads in Field 07E from 15/10/16 to 23/10/16.</p>	<p>During the field visit, it was noted that the road conditions were well maintained in all estates. Accessibility were made possible by regular maintenance guided by its road maintenance programmes. The program had been supported by adequate provisions in the budgets. Surface run off water from roads were well directed into fields and drains with well cambered roads and road sided drains. Status: Closed</p>
D 3.1 HO-03	Major	<p>The existing Standard Operation Procedure, Issue No. 4 yet to include and implemented for ensuring segregation (clearing) of balance of non-RSPO CPO from oil tank during transition back to achieve 100% objective of IP model.</p>	<p><u>Corrective action by CU:</u> Our Standard Operating Procedure RSPO/SOP/COC/2 Issue No. 4 Title: CSFFB, CSPO & CSPK Traceability System for Estates/Farms, Palm Oil Mills, Warehouses and Trading Companies) was revised by including Item No. 4.3, Standard Operating Procedure Issue No. 5 dated 5th October 2016.</p>	<p>Amended SOP was sighted. Since last audit, the company only processing RSPO Certified FFB. Status: Closed</p>
D 5.1 HO-04	Major	<p>There were sales of certified CPO and certified PK during period of August 2015 – July 2016 respectively. However, no evident of record of balance on a three-monthly basis for those sales provided.</p>	<p><u>Corrective action by CU:</u> Marketing department has been instructed to send the updated delivery records to Bukit Leelau mill every 3 months. The record of balance for deliveries (e-trace transactions BLPOM RSPO CSPO) of RSPO certified CPO and PK on a three-monthly basis and for the period of August 2015 – July 2016 has been updated and sent to Bukit Leelau Palm Oil Mill by our Marketing department.</p>	<p>3 monthly summaries for year 2016/2017 was sighted and found adequate. Status: Closed</p>

RSPO PUBLIC SUMMARY REPORT

Attachment 7

RSPO Certification Time-bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (August 2017)

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
1.	Pamol (Sabah) POM, Sabah	May 2008	Re-Certified in December 2016	Initial Assessment completed on October 2016 To include Sugut Estate as an additional supply base through the scope of certification extension in September 2017 RSPO ASA-01.	No outstanding issues
2.	Sakilan POM	Nov 2008	Re-Certified in Mar 2015	ASA-02 completed in December 2016.	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Re-Certified in Mar 2015	ASA-02 completed in Dec 2016	No outstanding issues
4.	Gomali POM	Aug 2009	Re-Certified in Aug 2015	ASA-02 completed in June 2017	No outstanding issues
5.	Baturong POM	Sept 2009	Re-Certified in Oct 2015	ASA-01 completed for 2016	No outstanding issues
6.	Bukit Leelau POM	Apr 2010	Re-Certified in Nov 2015	ASA-01 completed in September 2016	No outstanding issues
7.	Mayvin POM	Aug 2010	Re-Certified in Dec 2015	ASA-01 completed for 2016	No outstanding issues
8.	Pukin POM, Pahang	Dec 2010	Re-certified in June 2016	ASA-01 completed in March 2017	No outstanding issues
9.	Leepang (Sabah) POM	Aug 2012	Certified in Dec 2013	ASA-03 completed for 2016	No outstanding issues
10.	Syarimo POM	Sept 2012	Certified in Mar 2013	ASA-03 completed for 2016	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	ASA-04 completed for 2017	No outstanding issues
12.	Morisem POM, Sabah	Sept 2013	Certified in Dec 2013	ASA-03 completed for 2016	No outstanding issues
13.	IOI – Pelita,	Planned -	Uncertified	New certification for IOI – Pelita	Settlement Discussion with local community is presently still ongoing.

RSPO PUBLIC SUMMARY REPORT

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
	Sarawak	2019	Unit	(Sarawak) is pending resolution of land dispute and RSPO decision. No POM yet.	<p>A Dialogue and Mediation session with LTK Community was held on the 5th August 2016. Ms. Oi Soo Chin from RSPO attended as an observer. Some preliminary agreements between the parties have been reached. Meeting notes are being finalized.</p> <p>On 1st Dec 2016, a draft agreement which gives the native community land use right was presented to the LTK A and LTK B communities. It was followed by a meeting for the terms of the settlement agreement on 20th December 2016. Additional terms were included (by request of the committee) and agreement was formally sent to Miri Residence (mediator) office before 30th December 2016</p>
14.	Unico POM-1, Sabah	Planned - 2018	Uncertified Unit	Acquired in 2014. Established OP plantation (before 2005). Supply base do consist of external / independent smallholders.	Certification preparations in progress.
15.	Unico Desa POM-2, Sabah	Planned - Sept 2017	Uncertified Unit	Acquired in 2014. Established OP plantation (before 2005). Supply base comprised of own estates.	Certification preparations in progress.
16.	PT SKS, Indonesia	Planned - 2017	Uncertified Unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental 'Hak Guna Usaha' (HGU) application in progress	<p>Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5th August 2016 has lifted the Suspension effective 8th August 2016.</p> <p>Landscape approach been initiated with our stakeholder, regency and local government and Aidenvironment on 27-28 July 2017), as a part of recommendation by RSPO verification team.</p> <p>Training for following areas has been done to estate and SNA top management.</p> <ul style="list-style-type: none"> (a) Sustainable Peatland Management including peat measurements, monitoring and protection. (b) Management of HCV areas and buffer zones (c) Water management (d) Fauna and flora monitoring (e) Fire Prevention and Control <p>The training has been conducted by GEC, Flora Fauna Institute (FFI) in July 2017</p>

RSPO PUBLIC SUMMARY REPORT

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
					<p>centralized at PT.SKS</p> <p>Certification preparations in progress. Pending issuance of HGU.</p>
17.	PT BNS, Indonesia	Planned - 2017	Uncertified Unit	<p>Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental HGU application in the process.</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5th August 2016 has lifted the Suspension effective 8th August 2016.</p> <p>Landscape approach been initiated with our stakeholder, regency and local government and Aidenvironment on 27-28 July 2017), as a part of recommendation by RSPO verification team.</p> <p>Training for following areas has been done to estate and SNA top management.</p> <ul style="list-style-type: none"> (a) Sustainable Peatland Management including peat measurements, monitoring and protection. (b) Management of HCV areas and buffer zones (c) Water management (d) Fauna and flora monitoring (e) Fire Prevention and Control <p>The training has been conducted by GEC, Flora Fauna Institute (FFI) in July 2017 centralized at PT.SKS</p> <p>Certification preparations in progress. Pending issuance of HGU.</p>
18.	PT BSS, Indonesia	Planned - 2019	Uncertified Unit	<p>Acquired in 2009 (new concession land). No POM yet, still in development phase. Governmental 'Hak Guna Usaha' application in progress.</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5th August 2016 has lifted the Suspension effective 8th August 2016.</p> <p>Landscape approach been initiated with our stakeholder, regency and local government and Aidenvironment on 27-28 July 2017), as a part of recommendation by RSPO verification team.</p> <p>Training for following areas has been done to estate and SNA top management.</p>

RSPO PUBLIC SUMMARY REPORT

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
					<p>(a) Sustainable Peatland Management including peat measurements, monitoring and protection.</p> <p>(b) Management of HCV areas and buffer zones</p> <p>(c) Water management</p> <p>(d) Fauna and flora monitoring</p> <p>(e) Fire Prevention and Control</p> <p>The training has been conducted by GEC, Flora Fauna Institute (FFI) in July 2017 centralized at PT.SKS</p> <p>Certification preparations in progress. Pending issuance of HGU.</p>
19.	PT KPAM, Indonesia	Planned - 2020	Uncertified Unit	Acquired in 2010 (new concession land). No POM planned yet, all necessary permits are up to date.	<p>HCV Assessment completed and the SEIA in progress.</p> <p>The NPP will be conducted upon completion of all reports and will be posted on the RSPO for Public Consultation.</p>
20.	Sugut Estate, Sabah	Planned – Sept 2017	Uncertified Unit	Acquired in 2003 from Unilever. Certification extension is planned for Sugut Estate and to be included as an addition of supply base to Pamol (Sabah) POM, during RSPO-ASA 01.	Certification preparations in progress, no outstanding issue.