

RSPO PRINCIPLES & CRITERIA RE-CERTIFICATION REPORT

Public Summary Information

Project Number:	MY 01827	Certificate No.:	SGS-RSPO/PM-MY09/00201
		Validity Period:	03rd Feb 2014 until 02nd Feb 2019
Report Ref. No.:	IOI Pamol RSPO P&C Surveillance 01 Audit Report -2014	RSPO Membership No.:	2-0002-04-000-00
Client Name:	IOI Corporation Berhad	Website:	http://www.ioigroup.com/business/busi_plantoverview.cfm
Scope:	Receiving and processing of RSPO certified Fresh Fruit Bunches (FFB) from its supply base, production and sales of RSPO certified Crude Palm Oil (CPO) and Palm Kernel (PK) under Module D (CPO Mill: Segregation) of RSPO Supply Chain and RSPO MY-NI Standard".		
Type of Certificate Holder:	INDIVIDUAL		
Number of Mill:	1	Number of Sites:	6
Mill Capacity:	51 mt/hr	Actual CPO Produced (MT):	58,638.799 (FY2013/2014)
		PK Produced (MT):	12,231.244 (FY2013/2014)
		Projection CPO Produced (MT):	59,284.094 (FY2014/2015)
		PK Produced (MT):	12,886.53 (FY2015/2016)
Address:	<u>Head Office</u> Level 8, Two IOI Square IOI Resort, 62502 Putrajaya Malaysia. Tel: +603-2093 2140	<u>Contact Person:</u> 1. Mr. Too Heng Liew (Head of Sustainability, Malaysia / Indonesia) 2. Mr. N. B. Sudhakaran, (General Manager, Sandakan Region)	
Street and number:			
Town/City			
State/Country			
Zip/Postal code			
Country	<u>Mill Address</u> Pamol Mill P O Box 203, 90702 Sandakan Sabah.		
Country:	Malaysia		
Plantation Unit Being Evaluated:	1. Bayok; 2. Meliau; 3. Nangoh; 4. Runggus; 5. Tindakon; and 6. Ulu	Total Certified Area (Ha):	13,502.44
		Total FFB Produced Actual (MT):	269,521.55 (FY2013/2014)
		Total FFB Produced Projection (MT):	270,092.17 (FY2014/2015)

BASIC EVALUATION INFORMATION

2ND MAIN EVALUATION			
Evaluation Dates:	21-24 January 2014		
Team Leader/Team:	James Ong; Faisal Jaafar & Hoo Boon Han		
Affiliate Project Manager:		Date:	
Report approved by:	Haye Semail	Date:	29 th Apr 2014
Certification approved by:	Kenny Looi	Date:	29 th Apr 2014
Database logged by:	Othman Shahziela	Date:	29 th Apr 2014
SURVEILLANCE 1			
Evaluation Dates:	24-26 November 2014		
Team Leader/Team:	Haye Semail, Dayang Suhanie Khalid		
Affiliate Project Manager:		Date:	
Report reviewed & approved by:	Abdullah Din	Date:	29 June 15
Certification approved by:	Kenny Looi	Date:	29 June 15
Database logged by:	Othman Shahziela	Date:	29 June 15
SURVEILLANCE 2			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 3			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 4			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	

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SUMMARY

IOI acquired Pamol Estates from Unilever in 2003. There has been no new establishment of oil palm plantation within the unit apart from re-planting.

Pamol Oil Mill Management Unit (POM-PMU) consist of 6 estates namely Ulu, Bayok, Rungus, Tindakan, Nangoh and Meliau estate and it was among the first oil estates that were established in Sabah that were developed in early 1960s and the Pamol Oil Mill at that time was the largest in Sabah when it was made operational in 1967.

SGS has conducted the 2nd main assessment of IOI Pamol comprising 1 mill and 6 estates. SGS concludes that IOI Pamol comply to the requirements of RSPO P&C 2007, Malaysia National Interpretation 2008 and RSPO Supply Chain Standard 2011.

SGS recommends continuation of approval of IOI Pamol as the producer of RSPO certified sustainable palm oil.

LIST OF ABBREVIATION

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

1. SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

The operations of the mill and their supply based of FFB were assessed against the **Roundtable on Sustainable Palm Oil (RSPO), Principles and Criteria (P&C) – Malaysia National Interpretation (MY-NIWG dated 26th April 2008)**.

1.2 Certification Scope

The scope of certification includes the production of Pamol Palm Oil Mill (POM) and its supply base according to the standard of **Roundtable on Sustainable Palm Oil (RSPO), Principles and Criteria (P&C) – Malaysia National Interpretation (MY-NIWG dated 26th April 2008)** and **RSPO Supply Chain Certification Standard dated 25 November 2011**.

1.3 Location and Maps

Pamol Production Unit is located in the region of Labuk-Sugut (also known as Beluran), District of Sandakan, in the state of Sabah, Malaysia (**Figure 1**). More detailed information on the estates' location and layout are shown in **Figure 2**. The GPS locations of the mill and 6 estates are shown in Table 1.

Table 1: Mill and Supply Base GPS Location

Mill/Supply Base	Longitude	Latitude
Pamol Palm Oil Mill	117 ⁰ 23' 28.32" E	5 ⁰ 59' 08"48.12 N
Bayok Estate	117 ⁰ 23' 54" E	6 ⁰ 00' 18" N
Meliau Estate	117 ⁰ 15' 11" E	5 ⁰ 57' 08" N
Nangoh Estate	117 ⁰ 15' 11" E	5 ⁰ 57' 08" N
Rungus Estate	117 ⁰ 22' 03" E	6 ⁰ 02' 56" N
Tindakon Estate	117 ⁰ 21' 18" E	5 ⁰ 58' 43" N
Ulu Estate	117 ⁰ 23' 54" E	6 ⁰ 00'18" N

Figure 1: Location Map for Pamol Production Unit

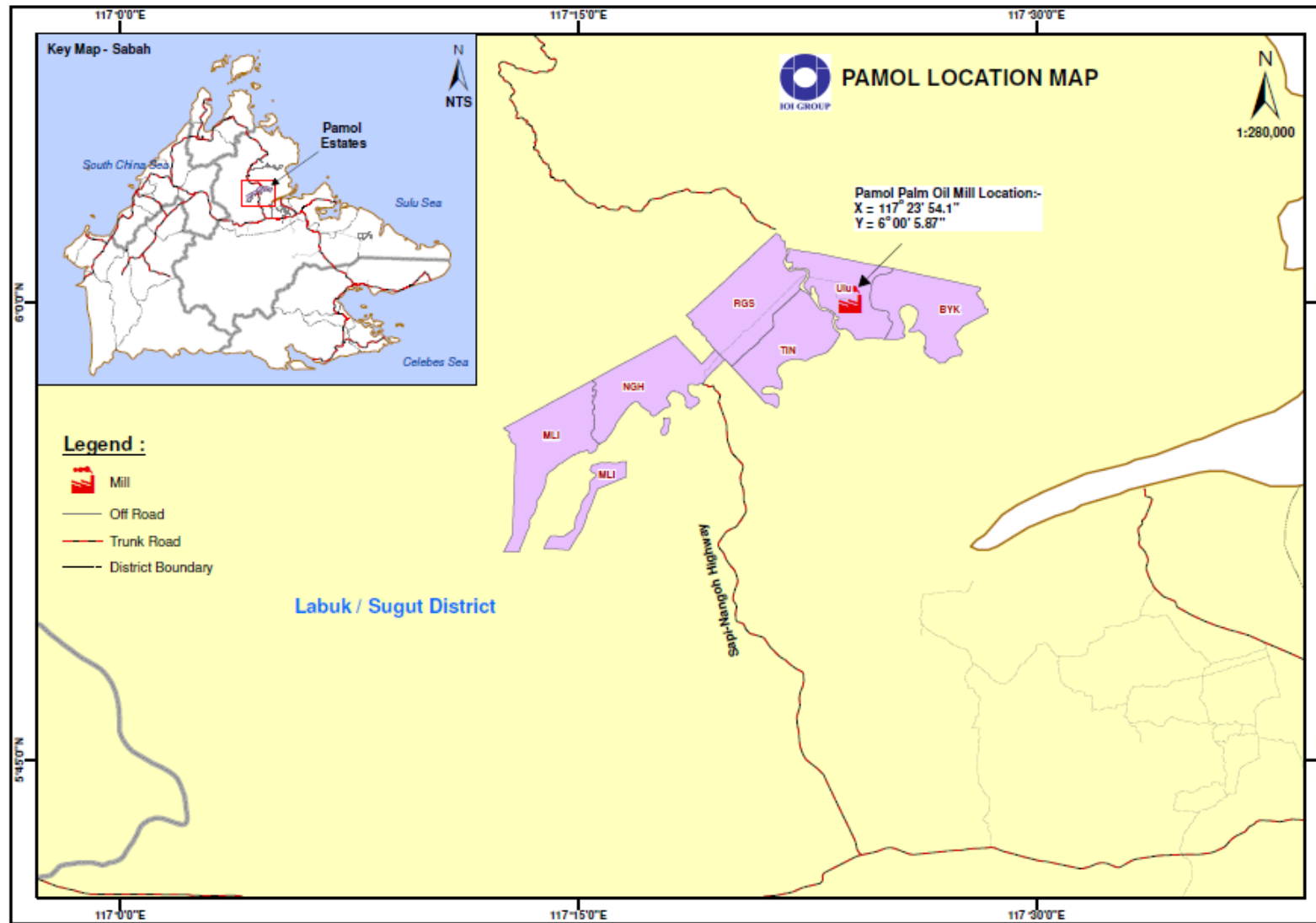
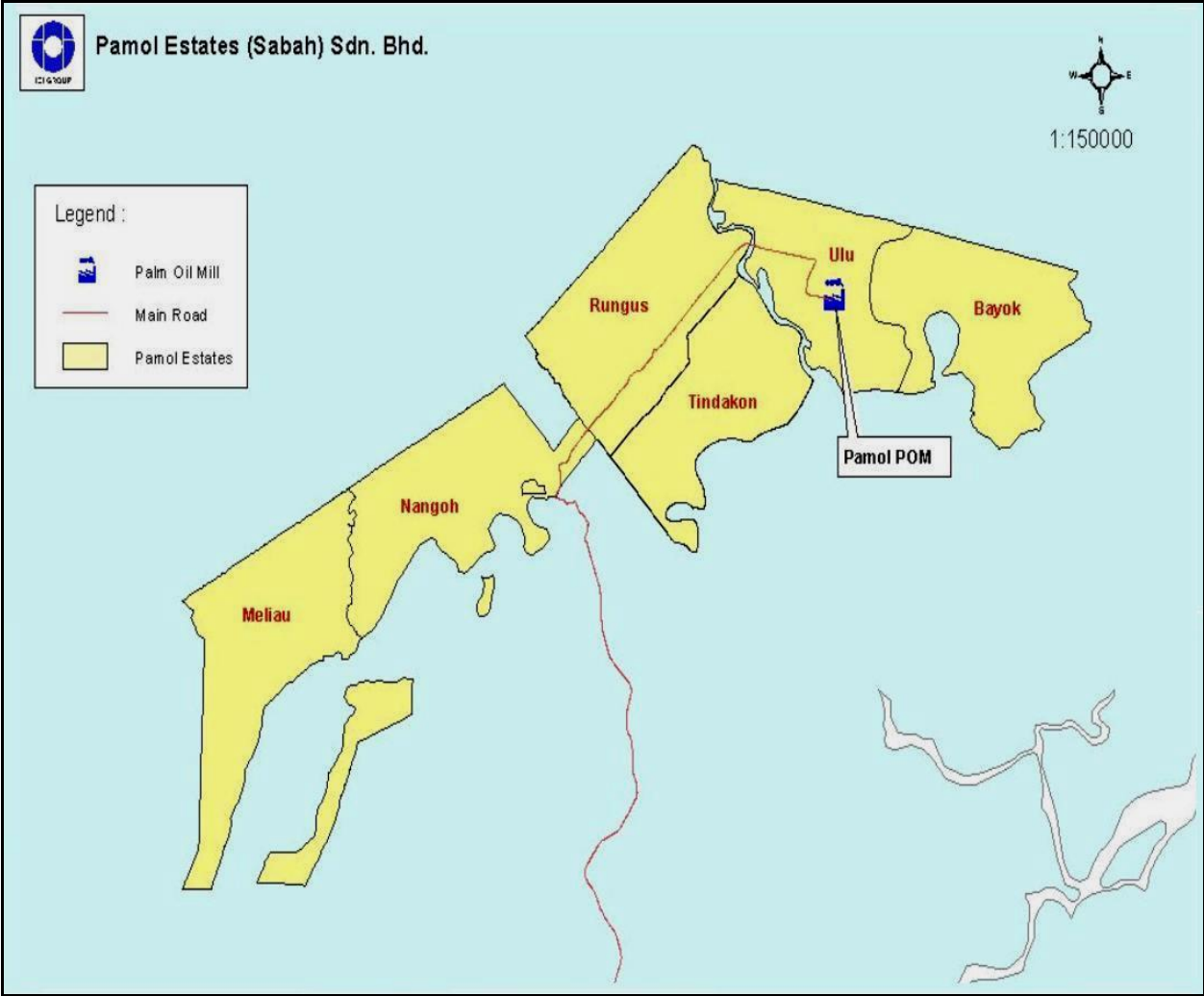


Figure 2: Pamol Estates and Mill Location Map



1.4 Description of Supply Base and Mill Processing Capacity

The FFB is sourced from six (6) estates only which are directly managed by IOI Corporation Berhad. The budgeted crop yields (FY2013/2014) from each estate are listed in Table 2 below

Table 2: Actual (2013/2014) and Projected (2014/2015) FFB from Supply Base

Estates	FFBs (Tonnage)	
	Actual (2013/2014)	Projection (2014/2015)
Bayok Estate	39,439.30	43,012.51
Meliau Estate	75,849.51	78,543.41
Nangoh Estate	50,570.63	44,568.98
Rungus Estate	55,890.36	55,950.63
Tindakon Estate	19,698.33	18,710.53
Ulu Estate	28,073.42	29,306.11
Total Certified production	269,521.55	270,092.17

Table 3: Actual (2013/2014) and Projected (2014/2015) Mill Processing Data

Mill	Mill Production Figures (MT)			
	Actual (2013/2014)		Actual (July 2014 to May 2015)	
	CPOs	PKs	CPOs	PKs
RSPO certified production from own Pamol grouping supplying estates	58,638.799	12,231.244	59,284.094	12,886.53
Total	21.76	4.54	21.95	4.76
	OER: %	KER: %	OER: %	KER: %

1.5 Date of Planting and Cycle

The Pamol Production Unit owned estates were planted since 1960s. The palms were considered matured when approaching 3 years after planting and productive until the age of 25 years. A replanting program for all estates involved are available and being projected for the next five (5) financial years. The age profiles for all the estates are simplified in Table 4 below.

Table 4: Area Statement of the Supplying Estates

Name of Estates	Mature	Immature	Conservation Area (Ha)	HCV Area (Ha)	Others	Total Title Area (Ha)
Bayok Estate	1,606	270	-	43.20	290.73	2,209.93
Meliau Estate	2,677	0	-	90.10	231.55	2,998.65
Nangoh Estate	1,589	271	-	213.80	205.56	2,279.36
Rungus Estate	2,211	256	-	8.00	123.22	2,598.22
Tindakon Estate	655	852	22.30	-	50.05	1,579.35
Ulu Estate	1,113	567	-	4.14	152.79	1,863.93
Total	9,851	2,216	22.30	359.24	1,053.90	13,502.44
Other: Include roads, linesite, bridges and any others facilities and amenities.						

1.6 Other Certification Held

Pamol Oil Mill Management Unit is also certified under ISCC.

1.7 Organizational Information and Contact Person

The company contact person details are as follows:

Name:	1. Mr. Too Heng Liew 2. Mr. N. B. Sudhakaran
Designation:	1. (Head of Sustainability, Malaysia / Indonesia) 2. (General Manager, Sandakan Region)
Address:	1. Locked Bag 228, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia. 2. Pamol Mill, P O Box 203, 90702 Sandakan Sabah.
Contact No.:	1. Te/Fax: 03-8947888 2. Tel: 089-515652, Fax: 089-515636
Email address:	1. hltoo@ioigroup.com 2. pamolmain@yahoo.com / pamolmill@yahoo.com

1.8 Time-bound Plan for Other Management Units

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

IOI Corporation Berhad owns and operates **12** production units (oil mills) and oil palm estates covering an area of 158,000 ha in Malaysia and Indonesia. IOI Corporation Berhad has developed a time-bound plan (**Appendix C**) for the phased implementation of the RSPO P&C, commencing in year 2008. IOI Corporation Berhad will use the experience gained from achieving certification of the first few mills and estates to implement the RSPO P&C in parallel with the remainder of its operations. The SGS assessment team considers that IOI Corporation Berhad is on the right track which is reasonable and challenging, given the widespread geographic locations of its properties, the resources required and the numbers of smallholders involved.

1.9 Area of Plantation

The areas of supplying estates for this operating unit are listed in Table 5. Details of production area (mature/immature) are also listed.

Table 5: Planting Age Profiles for all Supply Base Estate

Name of supplying estate	Planting Age (Ha)			
	Immature	>4 – 14 years	>14 – 25 years	> 25 years
Bayok Estate	270	1,036	570	0
Meliau Estate	0	0	2,677	0
Nangoh Estate	271	380	1,209	0
Rungus Estate	256	486	1,725	0
Tindakon Estate	852	406	249	0
Ulu Estate	567	835	278	0
Total	2,216	3,143	6,708	0

1.10 Date Certificate Issued and Scope of Certificate

The certificate issue date is the date of RSPO approval of this assessment report. This certification scope is: **Receiving and processing of RSPO certified Fresh Fruit Bunches (FFB) from its supply base, production and sales of RSPO certified Crude Palm Oil (CPO) and Palm Kernel (PK) under Module D (CPO Mill: Segregation) of RSPO Supply Chain and RSPO MY-NI Standard**".

2. ASSESSMENT PROCESS

2.1 Certification Body

Founded in 1878, the SGS Group is the world's largest auditing, inspection, testing and verification organization. Truly global and benefiting from unique international network of more than 1180 offices, 321 laboratories and 50'000 full time staff, the SGS Group is able to provide its international clientele with a comprehensive range of services in more than 145 countries.

SGS has no manufacturing, trading or financial interests which could compromise its independence. Its guarantee of independence, its reputation for professionalism, integrity and impartiality, as well as its remarkable international network, place the SGS Group in a unique position.

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

2.2 Assessment Methodology, Programme, Site Visits

The assessment was conducted in **24-26 November 2014** audit days and involving three (3) Estates of IOI Pamol and the Palm Oil Mill managed by IOI Corporation Berhad. The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues. A sample of stakeholders was consulted during the assessment to get their feedback on the management doing.

The level of sampling to take place during a certification assessment shall include every mill and be based on a minimum sample of $0.8\sqrt{y}$ where y is the number of management sub-units. During the site assessment, the sample size of Pamol shall be determined by the formula $(0.8\sqrt{6}) = 1.95$ round up = 2 (at least). The 3 estates sampled were Ulu, Bayok and Rungus Estates.

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

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

Table 6: Assessment Program

Date	Location	Activities
24 Nov 2014	IOI Pamol Guest House	<ul style="list-style-type: none"> • Combined Opening Meeting (Mill & Estates) • Opening Presentation by SGS (M) S/B • Presentation by IOI Pamol Sabah • Formulation of audit schedule • Document Review (mill) • Mill Visit • Good milling practices • safety & health

		<ul style="list-style-type: none"> • scheduled waste storage area • first aid kit • MSDS • Green tube
25 Nov 2014	Ulu & Bayok Estate	<ul style="list-style-type: none"> • Riparian Zone, Boundary Stone, Buffer zone, HCV, Eroded land, Forest Boundary, Swamp area • Landfill, Line-site, Creche, Interview workers (sprayer, harvester) • Domestic and recycling effort • Document review • Storage facilities, diesel skid tank, waste management, Chemical storage, lubricants storage, workshop, oil trap • Stakeholders interview, HA interview • Document review and etc.
26 Nov 2014	Rungus Estate	<ul style="list-style-type: none"> • Interview with workers and mandore • Document Review • Justification on certain issues • Finalize audit findings • Preparation of findings • Closing Meeting

2.3 Qualification of Lead Assessor and Assessment Team

SGS Malaysia Sdn Bhd holds copies of educational qualifications, certificates and audit logs for each of the audit team members. SGS has evaluated the qualifications and experience of each audit team member and has registered the following designations for conducting RSPO Assessment. Summary of auditors' educational background and experience are listed in Table 6 below.

Table 7: Auditors Profile

Evaluation Team	Notes
Team Leader	Abdul Haya Semail, a degree holder in B.Sc. is a forester by profession and has 15 years experience in forest harvesting and plywood industry. As a trained assessor, he has been involved in forest management, palm oil and chain of custody certification for the last 7 years. Trained by RSPO for auditing against RSPO P&C and involved in a number of plantation assessments and inspection of palm oil mill.
Auditor 2 – Legal, Social and Safety and Health	Dayang Suhanie Khalid is a graduate from University Putra Malaysia with forestry background. Joining SGS (M) Sdn Bhd as full time auditor since 2013, she is now a qualified auditor for Roundtable Sustainable Palm Oil (RSPO) certification. She has also been trained with focus on social requirements in RSPO.

2.4 Stakeholder Consultation and List of Stakeholders Contacted

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

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

3. ASSESSMENT FINDINGS

3.1 Summary of Findings

3.1.1 Principles & Criteria

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

There were **no (0)** Major Non-conformity and **two (2)** Minor Non-conformity identified during this assessment. **Two (2)** matters identified as potential areas for improvement have been categorized as Observations. Details for each Non-conformity and observation are given in **Appendix A**. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months after the assessment.

Principle 1: Commitment to Transparency					
Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate language & forms to allow for effective participation in decision making.					
1.1.1	Records of requests and responses must be maintained.				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>IOI as a plantation company is evolving steadily to accommodate requests for relevant information from stakeholders. Being a public listed company, general information on operations and finances is published in its annual reports and website. Environmental and occupational safety and health policies are readily available for review. The commitment to transparency regarding the provision of information related to plantation management is very evident amongst the managerial staff in the plantation management units (individual oil palm estates). Records of environmental, social, legal, agronomic, research, monitoring and biological information is available in the form of reports, memos in the plantation management unit. The company has demonstrated its recognition of the importance of being transparent where information not jeopardising its commercial competitiveness is concerned.</p> <p>The Website http://www.ioigroup.com/business/busi_plantoverview.cfm provides information on their plantation responsibilities, corporate social responsibilities and commitment to sustainability compliance.</p> <p>Grouping List of IOI's stakeholders as below;</p> <ul style="list-style-type: none"> - Legal of Statutory bodies – updated 05/04/2014 - Internal stakeholders (IOI Group) – Updated on 12/03/2014 				

	<ul style="list-style-type: none"> - Internal stakeholder (IOI Sandakan regent) – Updated on 16/11/2013 - FFB supplier – Updated on 21/09/2014 - Villager, head of religion and interested individual - Major NGO. 				
<p>Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes</p>					
1.2.1	Land titles / user rights (C 2.2)				
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>Land titles for the six IOI estates visited were readily available and served as legal proof of occupation and use. The estates visited for verification are estates purchased in a developed state from other parties. There are no serious user right issues in all the estates visited. Legal requirements and provisions regarding land use are in place. The legal titles/land grants are publicly available and can be obtained for the relevant state and district land authorities in Sandakan, Sabah.</p> <p>No changes to the organization policies since the last audit and the relevant documents are publicly available as required. All the land titles were available and the copies have been maintained at the mills and estates.</p>				
1.2.2	Safety and health plan (C 4.7)				
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>Occupational and health plan was established since 18th May 2007 by Group Plantation Director and available on their website: http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm</p> <p>For Ulu and Bayok Estate the safety and health plan was reviewed on 10 January 2014.</p> <p>Documents pertaining to Occupational Safety and Health (OSH) are available:</p> <ul style="list-style-type: none"> i) Legislation: Sabah Labour Ordinance (Sabah CAP.67); All relevant laws related to OSH; ii) Company policy on OSH, Sexual Harassment, iii) List of documents: (refer to documentation checklist in Appendix I) iv) Health statistics (obtained from clinic) v) Occupational Safety and Health Risk Assessments systematically identifying all risks involved in both estates and mills. This also serves as a planning document <p>Once again, the policy is that these documents are readily available for viewing.</p>				
1.2.3	Plans and impact assessment relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.3)				
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>Documented identification of all wastes products identified within the estates and mill is highlighted within the EIA document (reviewed on 1 October 2014). The plan contains the identification of the pollutions, the environmental impact of the pollution and the improvement (action) plan.</p> <p>There is evidence of OSH policy and social policies (sexual harassment policy, documents pertaining to Corporate Social Responsibility (CSR) such as contribution to the Borneo Child Aid/Humana Child Aid Society Sabah, day-care (crèche) education foundation, assistance in kind to communities and employees for the utilisation of company infrastructure such as schools. Humana is a school which caters for children of migrants who are unable to register their children in government schools in Malaysia.</p> <p>The documented Social Impact Assessment (SIA) – Management Action Plans & Continuous Improvement Plan dated on 23 Nov 2014 for Ulu and 30 Nov 2014 bayok.</p> <p>The documents listed a series of sections relating to social of which one of it is on Social Impact</p>				

	Assessment (Appendix 4) that specifies methodology, social surveillance assessment and continuous improvement of social impact assessment.													
1.2.4	Pollution Prevention Plan (C 5.6)													
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>									
Objective evidence:	<p>Pollution Prevention Plan together with environmental impact assessment reviewed on November 2014). The plan contains the identification of the pollutions, the environmental impact of the pollution, the improvement (action) plan, documents that need to be reviewed and management review comments.</p> <p>Action taken such as green tube to reduce the BOD and the solid will used for land application. Monthly servicing for generator house is carried out to ensure the engines are running in good condition.</p> <p>Part of the prevention plan Pamol Mill is using green tube to reduce water pollution. In total, Pamol mill is using 6 green tubes monthly which are 100MT of sludge capacity for each tube.</p>													
1.2.5	Details of complaints and Grievances (C 6.3)													
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>									
Objective evidence:	<p>Individual estates have copies of grievances procedures.</p> <p>The estate and mill maintained the records for complaints and grievances.</p> <p>In Ulu and Bayok, the records keep in social and grievances record and all complaints or request was replied with appropriate action taken.</p> <p>Mill has recorded all complaint and suggestion in "Complaint/Grievance and request book".</p>													
1.2.6	Negotiation procedures (C 6.4)													
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>									
Objective evidence:	<p>Negotiation procedures and flowchart were established and maintained. It is available on the website: http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm</p> <p>The POM and estates have distinct boundaries with forest reserves and villages. Thus far, there was no dispute regarding land issue from the neighboring plantations, villages or forestry department.</p>													
1.2.7	Continuous improvement plan (C 8.1)													
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>									
Objective evidence:	<p>Continuous improvement plan in key operation have been developed at Pamol estate which were reviewed and monitored regularly. This has included centrally management of schedule waste and application solid from green tube of POME.</p>													
Principle 2: Compliance with Applicable Laws and Regulation														
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.														
2.1.1	Evidence of compliance with legal requirements				<i>Major</i>									
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>									
Objective evidence:	<p>At the time of Surveillance Audit, the audit team observed that copies of legal documents are available with the compilation of a list of applicable laws and regulations at both mill and estate levels. At mill, list and copies of applicable laws and regulation are available in the List of License and Permits Folder. Examples of files/legal documents/licenses verified during the audit are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">No.</th> <th style="width: 70%;">Details</th> <th style="width: 25%;">Validity</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Land title for Pamol Mill, Ulu Estate and Bayok Estate with Title No.: 085310327</td> <td>Dated 01 May 1975</td> </tr> <tr> <td>2.</td> <td>Lesen Menduduki atau Menggunakan Premis yang Dltetapkan from Jabatan Alam Sekitar</td> <td>30/06/2015</td> </tr> </tbody> </table>					No.	Details	Validity	1.	Land title for Pamol Mill, Ulu Estate and Bayok Estate with Title No.: 085310327	Dated 01 May 1975	2.	Lesen Menduduki atau Menggunakan Premis yang Dltetapkan from Jabatan Alam Sekitar	30/06/2015
No.	Details	Validity												
1.	Land title for Pamol Mill, Ulu Estate and Bayok Estate with Title No.: 085310327	Dated 01 May 1975												
2.	Lesen Menduduki atau Menggunakan Premis yang Dltetapkan from Jabatan Alam Sekitar	30/06/2015												

3.	Peraturan-peraturan Kualiti Alam Sekeliling (Premis yang Ditetapkan) (Minyak Kelapa Sawit Mentah), 1977 – P.U. (A) 342/1977 and Peraturan-peraturan Kualiti Alam Sekeliling (Udara Bersih), 1978 – P.U. (A) 280/1978 with license number: 004842	1/7/2014 until 30 June 2015
4.	Akta Bekalan Elektrik 1990	27/05/2014 until 26/05/2015
5.	Jabatan Tenaga Kerja Sabah – Permit Potongan Daripada Gaji Pekerja Seksyen 113 (4), Ordinan Buruh (Sabah Bab 67)	2 June 2014 until 01 June 2015
6.	License to operate private barge to transport CPO to the refinery issued by <i>Lembaga Pelabuhan-Pelabuhan Sabah</i> (Ref No.: LPPS 600-13/1/125) dated 04 December 2013	01 January 2014 to 31 December 2014
7.	Scheduled Control Permit (<i>Permit Barang Kawalan Berjadual</i>) for scheduled waste storage for Pamol POM:- PPDNKK. SDK.01/1998 (SK) No. Permit: 1155	04 December 2013 to 03 December 2014
8.	License to operate Genset in Pamol POM issued by <i>Suruhanjaya Tenaga</i> .	28 April 2014 to 27 April 2015
9.	Certificate of compliance for Electric Palm Oil Crane, Reg. No. PMA 95147 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 15 July 2015
10.	Certificate of compliance for Sterilizer, Reg. No. PMT 89489 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 15 July 2015
11.	Certificate of compliance for Air Receiver, Reg. No. SB PMT 1100 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 15 July 2015
12.	Certificate of compliance for Electric Wire Rope Hoist, Reg. No. SB PMA 5701 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 15 July 2015
13.	Certificate of compliance for Vacuum Oil Dryer, Reg. No. SB PMT 138 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 15 July 2015
14.	Certificate of compliance for Pressure Sand Filter, Reg. No. SB PMT 9464 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 15 July 2015
15.	Certificate of compliance for Pressure Vessel, Reg. No. SB PMT 10217 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 15 July 2015
16.	Certificate of compliance for Softener, Reg. No. SB PMT 9467 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 20 June 2015
17.	Certificate of compliance for Softener Vessel, Reg. No. SB PMT 6518 issued by the Department of Occupational Safety	validity until 20 June 2015

	and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	
18.	Certificate of compliance for Bi-Drum Water Tube Boiler, Reg. No. SB PMD 2326 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 20 June 2015
19.	Certificate of compliance for Water Tube Boiler, Reg. No. PMD 10620 issued by the Department of Occupational Safety and Health (DOSH) against the requirement of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970 Regulation 10(2)	validity until 23 July 2015
20.	MPOB licence 50134204000 for receiving, processing and producing CPO Pamol POM with a capacity of 330,000m ³	01 August 2014 to 31 July 2015
21.	License to operates Palm Oil Mill issued by the Department of Environment as prescribed by the Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations, 1977 (P.U.(A) 342/1977 and Environmental Quality (Clean Air) Regulations, 1978 (P.U.(A) 280/1998 :- license no. 000781 with a maximum capacity allowed 51mt/hr	01 July 2014 to 30 June 2015
22.	Certificate of compliance against the safety, fire prevention, fire protection and fire fighting requirements of the Fire Services Act 1988 (Serial No. 27136) issued by the Fire Department of Malaysia	validity period from 01 January 2014 to 31 January 2015
23.	Permit to rear deer serial no. 00298 issued by the Wildlife Department of Sabah	validity until 15 May 2015

Besides the above, there is an Audiometric Testing Programme conducted to all workers stationed at high pitch area such as oil extraction station, kernel plant, press station, boiler plant, engine room and water treatment. Latest programme conducted in 19 February 2014 resulted in out of 156 workers inspected, 18 of them have been declared as exposed to high pitch area (as mentioned above) with a decibel above 85dB. Out of 18 workers, 11 of the workers have been declared as having hearing impairment where every year these workers are required to conduct the test to monitor their hearing status as per required within the Regulation 22(b) of the Factories and Machinery (Noise Exposure) Regulation, 1989. 06 workers has been declared as having high tone hearing loss and the remaining 01 worker have been declared as having Standard Threshold Shift and therefore required to conduct the inspection once every 6 months.

In addition, the Audiometric Testing Programme also resulted in the following recommendation from the occupational health doctor:

- Strict implementation and supervision on PPE and SOP to the employees exposed to noise;
- Information and training and retraining pertaining to safe working environment shall be conducted at regular interval;
- Workers with "Hearing Impairment" shall:
 - Strictly use Hearing protection devices;
 - Must be closely monitored by the supervisor;
 - Must be sent or attend information, instructions and training on noise and PPE;
 - Must be aware of his responsibility on occupational safety and health;
 - Must undergo an annual audiometric test.
- Baseline audiometric test shall be done to all new workers within 6 month from the date of their employment; and
- Annual audiometric test shall be done yearly to all workers exposed to noise level as follows:
 - Above Noise Action Level (>85dB) in Noise Monitoring Report;
 - Above the Permissible Exposure Limit (PEL) in Noise Monitoring Report;
 - Listed as having Hearing Impairment;

	<ul style="list-style-type: none"> o Listed as having High Tone Hearing Loss; and o Listed as having Standard Threshold Shifts. <p>The auditor has sampled and interviewed several workers whom has undergone the test during the field visit and the result of the interview confirmed that they have undergone the test in 2014. In addition, the interview also confirmed all recommendations made by the occupational health doctor conducting the test where they are strictly required to wear hearing protection devices.</p>	
2.1.2	A documented system, which includes written information on legal requirements	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Documented system including written information on legal requirements is available and is kept in the IOI File on Mechanism for Tracking of Law Changes, License, Permit, Certificate of Fitness and Land Title. Observed that the list of laws highlighted within the standard are kept within a file. All list of laws are found to be updated together with the latest version of the documented laws are also maintained by the company.	
2.1.3	A mechanism for ensuring that they are implemented	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	As described above the mechanism of tracking the changes of laws is kept in the IOI File on Mechanism for Tracking of Law Changes, License, Permit, Certificate of Fitness and Land Title. The person responsible for monitoring the changes and communicating it to the group remains the 'Sustainability Team' who carry out internal audit for each estate and mill Each estate updates the list of relevant laws and regulations that are required to maintain various legal permits.	
2.1.4	A system for tracking any changes in the law	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Currently, the person/team responsible for monitoring the changes and communicating it to the Group remains the 'Sustainability Team' who carries out internal audit for each estate and mill. In practice the team will conduct the following task: <ul style="list-style-type: none"> • To evaluate the effect of change of laws; • To assess current practices and suggested changes to be submitted to Senior Management (Group Plantation Director & Assistant general Manager) <p>Each mill and estate updates the list of relevant laws and regulations that are required to maintain various legal permits.</p>	
Criterion 2.2: The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.		
2.2.1	Evidence of legal ownership of the land including history of land tenure	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The land titles for the mill and supplying estates (Pamol Mill, Ulu estate and Bayok estate) verified during the audit are as follows: <ul style="list-style-type: none"> o Country Lease 085310327 dated 01 May 1975 indicating that the land covered can be used for planting of oil palm covering an area of 10,000 acres. 	
2.2.2	Growers must show that they comply with the terms of the land title. [This indicator is to be read with Guidance 2]	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Based on the above observation, it is confirmed that all of the land titles can be used for oil palm cultivation.	
2.2.3	Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective	Overall, the auditor observed that the estates occupation and operation comply with the terms of	

evidence:	the land title. All estates have their boundary marked with boundary markers. IOI has a special mapping team with accurate GPS equipment for boundary verification.			
2.2.4	Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. (CF 2.3.3, 6.4.1 and 6.4.2)			<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	IOI Pamol does not have any land disputes. But a system to resolve land disputes is documented in 'Grievance Procedure for Land Owner Issues' which is detailed in the social management plan for estates and mill.			
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.				
2.3.1	Where lands are encumbered by customary rights, participatory mapping should be conducted to construct maps that show the extent of these rights.			<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	Currently, there are no claims on legal or customary rights exist for the estate. Customary use of land for community purposes have been identified either on maps (places of worship, burial grounds, and archaeological site) and maintained.			
2.3.2	Map of appropriate scale showing extent of claims under dispute			<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	Customary use of land for community purposes have been identified either on maps (places of worship, burial grounds, and archaeological site) and maintained.			
2.3.3	Copies of negotiated agreements detailing process of consent (C 2.2, 7.5, 7.6)			<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	Currently, there are no claims on legal or customary rights exist for the estate. Interviews with local communities of Kampung Bayok and Kampung Rumidi Baru residing within the vicinity of Bayok Estate and Nangoh Estate respectively confirmed that there are no outstanding legal or customary disputes occur between them and the company.			

Principle 3: Commitment to Long-Term Economic and Financial Viability				
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability				
3.1.1	Annual budget with a minimum of 2 years of projection			<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	<p>In Nangoh , the annual budget 2013/14 available that records information like :</p> <ul style="list-style-type: none"> a) Mature and immature areas b) Total Areas per title 2279.35 ha c) Production estimate in FFB and CPO d) Deer Farm expenses e) General Capital Expenditure f) Supervision g) Labour cost h) Upkeep and cultivation i) Cost per MT CPO j) etc <p>Each estate also has their '5 Years Business Plan' with a projection of 5 years 2012 – 2017. In Nangoh Estate, it is documented in IOI Corporation Bhd- Pamol Group Nangoh Estate - 5 years Business plan</p>			

	<p>The plan include:</p> <ul style="list-style-type: none"> a) Area Statement b) Crop (FFB) by year of planting c) Crop (FFB) Monthly Breakdown d) 10 year Replanting programme e) Summary replanting programme by field f) Detail Replanting programme by field g) Executive / staff and worker requirement h) Mature Oil Plam Costing Statement i) General Charges Statement j) Capital Expenditiure k) Summary Replanting Cost to Maturity l) Replanting cost field by field <p>The Mill has its own 2013/14 budget that the mill uses to keep track of its expenditure. Monthly actual expenses and expenditure will be summarised and tracked against the budget. From the latest financial report, the Mill is within the the budget allocated.</p> <p>In the mill, the 5 year business plan (2012 – 2017) is in place. It includes the major capital expenditure such as :</p> <ul style="list-style-type: none"> a) Biogas Plant (2015/2016) b) Effluent Pond Upgrading c) Mill Operation Upgrading (Pressing, clarification,Kernel Station, power Plant, Boiler Station) d) Social aspects such as Housing facilities e) Environmental aspects (Waste Management control system Upgrading) 																																																				
3.1.2	Annual replanting programme projected for a minimum 5 years with yearly review				<i>Minor</i>																																																
Findings	In compliance:	Yes:	X	No:																																																	
Objective evidence:	<p>Replanting Programme is captured within the 5 year Management Plan that indicates the scheduled replanting programme.</p> <p>Details of Replanting Programme for the supplying estates are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Estate</th> <th style="text-align: center;">2013/14</th> <th style="text-align: center;">2014/15</th> <th style="text-align: center;">2015/16</th> <th style="text-align: center;">2016/2017</th> <th style="text-align: center;">2017/2018</th> </tr> </thead> <tbody> <tr> <td>Ulu</td> <td style="text-align: center;">194</td> <td style="text-align: center;">263</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Bayok</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Tindakan</td> <td style="text-align: center;">285</td> <td style="text-align: center;">264</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">126</td> </tr> <tr> <td>Rungus</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">192</td> </tr> <tr> <td>Meliau</td> <td style="text-align: center;">183</td> <td style="text-align: center;">189</td> <td style="text-align: center;">231</td> <td style="text-align: center;">232</td> <td style="text-align: center;">228</td> </tr> <tr> <td>Nangoh</td> <td style="text-align: center;">220</td> <td style="text-align: center;">199</td> <td style="text-align: center;">296</td> <td style="text-align: center;">123</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">882</td> <td style="text-align: center;">915</td> <td style="text-align: center;">527</td> <td style="text-align: center;">355</td> <td style="text-align: center;">546</td> </tr> </tbody> </table>					Estate	2013/14	2014/15	2015/16	2016/2017	2017/2018	Ulu	194	263	-	-	-	Bayok	-	-	-	-	-	Tindakan	285	264	-	-	126	Rungus	-	-	-	-	192	Meliau	183	189	231	232	228	Nangoh	220	199	296	123	-	Total	882	915	527	355	546
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Principle 4: Use of Appropriate Best Practices by Growers and Millers					
Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.					
4.1.1	Documented Standard Operating Procedures (SOP) for estates and mills				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective	Procedures exist for all operations both in the estates and mill .The StOPs reflect best industry				

evidence:	<p>practices as detailed in IOI's agricultural policy document.</p> <p>For Group StOPs for Palm Oil Mill covers from receiving FFB, processing, delivery, boiler, lab, WTP, Effluent , workshop and etc.</p> <p>Procedures are documented at IOI Group level known as 'Group Standard Operating Procedures' (StOPs) for Estate Operations'. They are then translated into StOPs for individual estates where necessary.</p> <p>Examples of StOPs for field operations in estates are:</p> <ol style="list-style-type: none"> a) Minimum ripeness standard b) Pruning c) Maintenance of Roads d) IPM of pest : Bunch Moth, Ganoderma, Rat Control , Rhinoceros Beetle control, Bagworm and nettle caterpillar control e) Nursery f) Planting of Leguminous Cover crop g) FFB Evacuation and transport <p>The Group has updated the safety procedure known as 'Group Safe Operating Procedure' to 'Occupational Safety and Health (OSH) Manual and OSH Management Document 'that explain the safety requirement related to each estate operation.</p> <p>A summarized copy is available in the local language, Bahasa Malaysia.</p> <p>Similarly for the mill, procedures are documented in the 'Group Standard Operating Procedures (StOPs) for Palm Oil Mill Operations' it is also translated in the local language. The Group Safe Operating Procedure is also available.</p>				
4.1.2	Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>All activities are well monitored Eg. Boiler House Daily Log, Boiler water control data, daily effluent treatment report and etc</p> <p>The Unit uses a form known as '<i>Daily checklist for Operation</i> 'to monitor particularly the safety compliance related to the work operation.</p> <p>Work operations that were monitored are as follows:</p> <ol style="list-style-type: none"> a) Harvesting b) Manuring c) Spraying of weedicide d) Drebar e) Creche f) Workshop g) Storekeeper <p>Standard Operating Procedures (SOP) exists for most operations both in the estates and mills in the form of written documents. The SOPs covering elements mentioned in criteria 4.2-4.8 are sufficient to ensure consistent implementation. The SOPs reflect best industry practices as detailed in IOI's agricultural policy document.</p> <p>SOPs for crop production and field maintenance are consistently implemented in all the estates evaluated. Where field management is concerned, the operating procedures have become standard practice understood by all field management staff. Procedures for the whole crop management cycle are provided to all management staff and training provided to ensure standard and consistent implementation. Input from the research division for continuous SOP review and improvement demonstrates the implementation of an adaptive management approach.</p> <p>A comprehensive monitoring framework is in place, especially for field operations is in place.</p>				

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to a level that ensures optimal and sustained yield.																												
4.2.1	Monitoring of fertilizer inputs through annual fertilizer recommendations			<i>Minor</i>																								
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>																								
Objective evidence:	<p>For organic fertilizer from green tube harvest is monitored by Mill effluent supervisor.</p> <p>Green tube harvest:</p> <p>August 2014 – 298.01 MT</p> <p>September 2014 – 523.76 MT</p> <p>October 2014 – 288.22 MT</p> <p>Land application monitor by mill. Eg,</p> <p>Block 88E 63ha = 4849.54 m3 (Furrow size)</p> <p>Block 88F 58ha = 6325.3 m3 (Furrow size)</p> <p>Volume of effluent for land application :</p> <p>August 2014: 30,089 m3</p> <p>September 2014 : 31059.75 m3</p> <p>October 2014: 30052.23</p> <p>Annual fertilizer recommendations and records of monitoring of fertiliser inputs are available.</p> <p>For Ulu Estate – fertilizer recommendation has been issued on 31 December 2013. Mainly the fertilizer program recommended from March to September. However due to lack of supply, until now the fertilizer program has not finished yet. The consent is rainy season towards the end of the year.</p> <p>e.g</p> <p>Block 91A</p> <table border="1"> <thead> <tr> <th>MONTH</th> <th>TYPE OF FERTILISER</th> <th colspan="2">QUANTITY PER PALM</th> </tr> </thead> <tbody> <tr> <td>MARCH 2014</td> <td>NK MIX</td> <td>3.5</td> <td>DONE</td> </tr> <tr> <td>APRIL 2014</td> <td>BORATE</td> <td>0.10</td> <td>DONE</td> </tr> <tr> <td>MAY 2014</td> <td>RP</td> <td>2.0</td> <td>PENDING</td> </tr> <tr> <td>JUNE 2014</td> <td>NK MIX</td> <td>3.5</td> <td>PENDING</td> </tr> <tr> <td>SEPT 2014</td> <td>NK MIX</td> <td>2.0</td> <td>PENDING</td> </tr> </tbody> </table>				MONTH	TYPE OF FERTILISER	QUANTITY PER PALM		MARCH 2014	NK MIX	3.5	DONE	APRIL 2014	BORATE	0.10	DONE	MAY 2014	RP	2.0	PENDING	JUNE 2014	NK MIX	3.5	PENDING	SEPT 2014	NK MIX	2.0	PENDING
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4.2.2	Evidence of periodic tissue and soil sampling to monitor changes in nutrient status			<i>Minor</i>																								
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>																								
Objective evidence:	<p>In Ulu and Bayok there is evidence of periodic foliar sampling and the latest sampling was done in 2014.</p> <p>Sampling is done for both soil (frond heap, palm circle etc) and foliar. Foliar sampling is done annually whereas soil sampling is done every 5 years.</p> <p>For Soil sampling – 15 – 19 November 2014</p> <p>Foliar analysis – March – April 2014</p>																											
4.2.3	Monitor the area on which EFB, POME and zero-burn replanting is applied			<i>Minor</i>																								
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>																								
Objective evidence:	<p>EFB is applied in Ulu area where it is applied is recorded in the EFB Application Record. The Oil mill will issue a Palm Oil Mill Weighbridge ticket as evidence of delivery from the mill to the estate.</p> <p>Land application only for Ulu Estate. Meanwhile the green tube are applied to all estates.</p>																											

	<p>Application is also recorded in the EFB application map</p> <p>The Oil Mill uses the 'Green Tubes' to separate the solids from the liquid in the POME. The solid palm sludge obtained from the use of 'Green Tube' is also sent to the estate field for application.</p> <p>Records of application are also recorded in the 'EFB Application' file.</p> <p>During replanting IOI advocates zero-burning and the Environment Compliance Report (ECR) reported that no evidence of any malpractice is practiced in IOI Pamol Sabah replanting operation</p>				
Criterion 4.3: Practices minimize and control erosion and degradation of soils.					
4.3.1	Documented evidence of practices minimizing soil erosion and degradation (including maps)				<i>Minor</i>
Findings	In compliance:	Yes:	No:	<input checked="" type="checkbox"/>	
Objective evidence:	<p>Evidence of river bank erosion present at Sungai Labuk (Block 10D Ulu Estate) was resulted in decreasing the size of buffer strip. There should be an attempt to re-demarcate the buffer strip to ensure management activities will not contribute to the bank disturbances.</p> <p>Minor CAR 03</p>				
4.3.2	Avoid or minimize bare or exposed soil within estates				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>The estate will refer to the Group Standard Operating Procedure for Weeding (2007) as the procedure for weeding.</p> <p>During the field visit it is found that weeding is confined to the palm circles, woodies or noxious weed control and along the harvesting path to ease FFB evacuation.</p> <p>Blanket spray is avoided in their spray operation.</p> <p>In Rungus, along the terraces spray is confined along the walk path as well as the circle.</p>				
4.3.3	Presence of road maintenance programme				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>Road maintenance programme is available on a yearly basis. Observed also map for road maintenance programme is available for each of the estate visited that is kept in the 'Road Maintenance Programme' file. The 'Road Team' will make their rounds to the estate during the alternate months.</p> <p>Budget for road maintenance programme is available within the budget file. For instance:</p> <ul style="list-style-type: none"> • Ulu Estate, RM93,703 was budgeted and as of to-date Nov 2014: RM30,473.77 were expended; and • Bayok Estate, RM245,162 was budgeted and as of to-date Nov 2014: RM 85,716 were spent. 				
4.3.4	Subsidence of peat soils should be minimized through an effective and documented water management programme				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>Based on the soil map, there are no peat area in Ulu and Bayok.</p> <p>The soils types are: Kumansi, Nobusu, Pinianakan, Luangmanis, Ambun, Tanjung Lipat, Lumisir, Paliau.</p>				
4.3.5	Best management practices should be in place for other fragile and problem soils (e.g. sandy, low organic matter and acid sulphate soils)				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>No evidence of fragile or problem soils.</p> <p>Areas where slopes greater than 25° are not planted with oil palm.</p>				
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.					
4.4.1	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estate.				<i>Major</i>

Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The certification unit is protecting water courses including maintaining and restoring appropriate riparian buffer zones along all natural waterways within the estate. A documented procedure is evident.	
4.4.2	No construction of bunds/weirs/dams across the main rivers or waterways passing through an estate	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No construction of bunds/weirs/dams across the main rivers or waterways passing through the estates.	
4.4.3	Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts (Cross reference to 5.1 and 8.1)	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>In Meliau Estate, the Environmental Compliance Report June 2014 – Sept 2014 has been reviewed as an evidence that water samples from main waterways are taken for analysis</p> <p>The river monitoring results are available for the following sampling points:</p> <p>W1 – Meliau – Sg Padau Lawan</p> <p>W2 – Meliau - Nangoh – Sg Sinaputan</p> <p>W3 – Tindakon - Sg Kimansi</p> <p>W4 - Bayok - Sg Kalagan</p> <p>Based on the analysis, the consultant Kiwiheng Wood and Environmental Consultants Sdn Bhd reported that the parameters are well within the limits of Class III of the NWQSM (National Water Quality Standard for Malaysia) except for BOD @ 5 days</p> <p>For the Palm Oil Mill, the following records are viewed for compliance to this indicator :</p> <p>The quarterly submissions are available. Latest submission to DOE is viewed. It was submitted on the 10 October 2014.</p>	
4.4.4	Monitoring rainfall data for proper water management	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Daily rain monitoring record is available summarized into monthly . Eg,</p> <p style="padding-left: 40px;">September 2014 – 227.2 mm 15 days raining.</p> <p style="padding-left: 40px;">January 2014 – 311.8 mm 20 days rained.</p> <p style="padding-left: 40px;">February 2014 – 312.2 mm 13 days rained.</p> <p>Rainfall in the estate is recorded daily and summarized monthly</p> <p>Water management plan for Pamol Grouping is available reviewed on November 2014.</p>	
4.4.5	Monitoring of water usage in mills (tonnage water use/tonne FFB processed)	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The water is monitored daily and summarized monthly. Records were found in the 'Water Consumption Monitoring' file.</p> <p>Water consumption July 2013 – June 2014</p> <p>Production process: 215379 M3</p> <p>Direct Boiler intake: 199280 m3</p> <p>Domestic use, fire fighting etc: 545109 m3</p> <p>Total Raw water: 768959 m3</p>	

	<p>In the records 'Summary of Water Consumption for the Month' the usage in the mill is separated between Boiler and Processing Usage.</p> <p>The following are the Water usage for the last 3 months</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%;">Boiler (MT / FFB)</th> <th style="width: 35%;">Process(MT / FFB)</th> </tr> </thead> <tbody> <tr> <td>Aug 2014</td> <td style="text-align: center;">0.69</td> <td style="text-align: center;">0.82</td> </tr> <tr> <td>Sept 2014</td> <td style="text-align: center;">0.64</td> <td style="text-align: center;">0.77</td> </tr> <tr> <td>Oct 2014</td> <td style="text-align: center;">0.64</td> <td style="text-align: center;">0.67</td> </tr> </tbody> </table> <p>Available water consumption summary for 2014/2015 and Water consumption based on financial year 2011-2014</p> <p>Environmental Compliance reports are available. Latest report Y2/2014 (February 2014 – May 2014) – Inspection date 7th – 9th May 2014 is part of water pollution monitoring conducted by Kiwiheng Wood and Environmental Consultants Sdn. Bhd.</p>		Boiler (MT / FFB)	Process(MT / FFB)	Aug 2014	0.69	0.82	Sept 2014	0.64	0.77	Oct 2014	0.64	0.67	
	Boiler (MT / FFB)	Process(MT / FFB)												
Aug 2014	0.69	0.82												
Sept 2014	0.64	0.77												
Oct 2014	0.64	0.67												
4.4.6	Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders.	<i>Minor</i>												
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>													
Objective evidence:	<p>No water is drained into protected areas.</p> <p>No drainage of water into protected or conservation area. Domestic wastewater and wash drains to a 'Sedimentation Pond' before draining into the fields which is more than 1 km from the nearest river.</p> <p>The effluent that is discharged into the furrow is controlled by personnel in the field so as to avoid overflow as well as to stop once the furrows are filled.</p> <p>According to the personnel, Mr Shamsul, 5 of the pipes will be opened for 12 hours per day to release the POME.</p> <p>Based on the POME Land application log book, on 22/1/2014, from the time 7 a.m – 7 p.m, the POME was discharged into field 2012C in furrow no: 11-15 with a volume of 1,273.413 m3.</p>													
4.4.7	Evidence of water management plans	<i>Minor</i>												
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>													
Objective evidence:	<p>Ref: Updated 'Water Management Plan for Pamol Grouping' prepared in 2009 was reviewed in November 2014 is available and maintained</p> <p>It includes the plans for the Pamol Mill as well as for the Pamol Grouping estates.</p> <p>For the estates the areas identified are:</p> <ul style="list-style-type: none"> a) Soil Moisture conservation programme b) Buffer zone of the Streams and Rivers c) Water for domestic Use d) Sewage and Septic tank e) Workshop and Lubricant Store f) Tidal Gate for Flood Prevention g) Nursery h) Buffalo Farm <p>Domestic water analysis is done every 6 months to monitor water quality and the latest analysis was done in 4/1/2014 by an approved lab, Dynakey Laboratories Sdn Bhd, Sandakan that reports</p>													

	<p>that the filtered water is within the limits of the WHO Standard.</p> <p>Water management plan for the Pamol Palm Oil Mill (PPOM) is also included in the plan. It includes the following :</p> <ul style="list-style-type: none"> a) Water Storage and Use for the processing of FFB and Domestic Use b) Raw water , Water treatment c) Domestic Water treatment d) Monitoring e) Water consumption Monitoring f) Wastewater treatment and discharge management in PPOM g) Palm Oil Mill Effluent (POME) <p>Water quality index (WQI) of the river passing through near PPOM</p>				
<p>Criterion 4.5: Pests, disease, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p>					
4.5.1	Documented IPM system				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The estate has SOP for the Integrated Management for pest identified such as rat, bagworm, rhinoceros beetle, bunch moth, valanga grasshopper, termites, Ganoderma.</p> <p>It involves</p> <ul style="list-style-type: none"> a) Detection b) Census c) Analysis of the census result d) Control treatment e) Post – treatment census <p>Normally, the estate would receive report of significant damage from the worker /mandore . Then the estate would ask the staff to verify the damage using the '<i>Census for bagworm and Nettle Caterpillar Damage</i>' form.</p> <p>Eventually, the agronomist will be informed of the damage and recommendation will be obtained from the research Centre for the appropriate control.</p> <p>Beneficial plants are continuously planted.</p> <p>Rat – follow feedback from Mill</p> <p>Census Record – Mapping on trees affected by gonoderma, is available.</p> <p>Field grading record captured FFB attacked by rats.</p> <p>Eg. Blok 13A 56Ha x 3600 pcs/1800 trees.</p> <p>Red baiting available:</p> <p>Bagworm no case.</p>				
4.5.2	Monitoring extent of IPM implementation for major pests				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The estate records the planting of beneficial plants such as Cassia sp, Antigoonon sp. It also has location maps of where planting is being done.</p> <p>A' <i>Summary of Darna Trima Census</i>' form is also done to check on the population before the next course of action is decided by the estate.</p> <p>In Bayok, no leaf damage was reported for 2014.</p> <p>The other active census done is rodent or Rat damage the estate will monitor the result of the grading done by the mill. The Grading differentiate new and old damage by the rats. Based on the document known as '<i>FFB Delivery & Quality assessment from dd/mm/yy – dd/mm/yy</i>', the % damage is recorded and when the damage is greater than 5%, application of bait is exercised.</p>				

	From the 2014 records, there was no damage greater than 5% resulting in zero rat bait application in 2014.				
4.5.3	Recording areas where pesticides have been used				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	Records of areas where pesticide used are recorded in the Costing Book for all estates. For example in UluEstate : Date of application: 5/8/14 Type of work: Selective spray Field # : 07C Ha: 38 ha Material cost/ha : RM7.12 Chemical and quantity used: Glyphosate : 8 lit, Ellytech : 360 g				
4.5.4	Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredients (a.i) used/tonne of oil				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredients (a.i) used/tonne of oil is recorded in the 'Summary of Weedicide /Pesticide Usage (5 Years) – Financial Year. They have records since 2008/2009.				
Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.					
4.6.1	Written justification in Standard Operating Procedures (SOP) of all agrochemical use				<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	In the Standard Operating Procedures (SOP), the written justification for all chemicals used in the estate is documented. It documents the chemical and its active ingredient and why the product is used Below are the products presently used in the estates: a) bm Glyphosate b) Ellytech c) Comet d) Polywett e) Midophos The SOP, also document the dosage to be used for the different conditions, type of equipment and the safety aspect of its use.				
4.6.2	Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53); and in accordance with ESECHH Regulations (2000)				<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	All the products used in the estate are officially registered under the Pesticides Act 1974 (Act 149) Products found in Ulu/Bayok store are: a) bm Glyphosate b) Ellytech c) Comet				

	d) Polywett e) Midophos The latest registration was done on 31/10/2014.	
4.6.3	Pesticides shall be restored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The pesticide is stored in appropriate condition. The Class 1 products like Midophos are stored in a separate store from the other pesticide. The store is ventilated, cemented floor, natural lighting, lock, good roofing and key proper stacking. Spill kit is available together with the presence of PPE. Emergency response procedure is also posted on the notice board. The emergency shower and eye wash is within reach. The StOPs for the use of Pesticides emphasize on the use of triple rinse and piercing method to dispose of the used chemical containers. No Class 1 chemical is used.	
4.6.4	All information regarding the chemicals and its usage, hazards, trade and generic names must be available in language understood by workers or explained carefully to them by a plantation management official at operating unit level	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	All information regarding the chemicals and its usage, hazards, trade and generic names are available in the local language understood by workers. The MSDS of each product is available and hazard signs are posted on the door of the store.	
4.6.5	Annual medical surveillance as per CHRA for plantation pesticide operators	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Annual medical surveillance as per CHRA for plantation pesticide operators were available for the following sprayers and sprayer mandore Interview with the HA, confirmed that there are no complains of irritation effects due to the chemical usage except the inconvenience of using the goggles and the face mask that affects their sight and breathing during operation.	
4.6.6	No work with pesticides for confirmed pregnant and breast feeding women	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The Hospital Assistant will check their status monthly and records are viewed as evidence. Interviews with workers found that no pregnant and breast feeding women in the team.	
4.6.7	Documentary evidence that use of chemical categorized as World Health Organization Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced and/or eliminated. Adoption of suitable economic alternative to paraquat as suggested by the EB pending outcome of the RSPO study on IWM	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Use of chemical categorized as World Health Organization Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced. Records of the use of the chemical are recorded in the ' <i>Darna trima Cost Book</i> '. The estate continues the planting of beneficial plant to attract the presence of leaf eating caterpillar predators as well as to reduce the use of class 1 pesticide.	

4.6.8	Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No aerial spraying conducted.	
4.6.9	Evidence of chemical residues in CPO testing, as requested and conducted by the buyers	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No buyers have requested for testing hence there is no evidence.	
4.6.10	Records of pesticides use (including active ingredients used, area treated, amount applied per hectare and number of applications) are maintained for either minimum of 5 years or starting November 2007	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Records of all the pesticide are monitored : a) Metsulfuron methyl b) Glyphosate c) Triclopyr butoxy ethyl ester d) 2,4, D Amine e) Paraquat (ceased usage in 2012) f) Fluoxypr g) Brodifacoum h) Sodium Chlorate i) Methamidophos Records of pesticide used, active ingredient used , active ingredient used per hectare, per FFB and per CPO is also included in the 'Summary of Weedicide /pesticide Usage (5 years) – financial Year document .	
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented		
4.7.1	Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967 (Act 139)	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Risk Assessment for Mill and Estate dated 16 October 2013 and 26 August 2013 is available covering all operations within the mill and estates. The risk assessment is found to be approved by the Health, Safety and Environment (HSE) Manager of the company. Safety and Health Policy dated 11 July 2011 and signed by the company's Group Plantation Director is available that among others specifies the requirement of the company to comply with the requirement of the Occupational Safety and Health Act 1994. Training plan for 2015 is available that also includes the requirement for Occupational Safety and Health Training that covering the first aid training, fire drill, safe operating procedures and daily briefing of PPE as well as the MSDS training. Safety and Health Officer is identified and has been appointed i.e. the HSE Manager that has a responsibility to handle all safety and health aspects for both Mill and Estates. Evidence of training is available together with the appointment letter that is signed by the General Manager of the production unit dated 01 March 2010. Safety and health committee meeting is conducted quarterly in all visited estates and mill. Organization chart of the OSH committee is available at both estates and mill where the committee is chaired by the manager of the estates and mill. In addition, the Emergency Response Procedures is available covering the following working	

	<p>areas/activities:</p> <ul style="list-style-type: none"> • Physical injury; • Chemical spillage; • Tractor/lorry driver; • Fire; and • Flood. <p>Safety Management Plan for both Ulu and Bayok Estates as well as Pamol POM dated 08 January 2014 are available detailing all programmes planned relating to occupational safety and health for all operations under the management of the estates as follows:</p> <ul style="list-style-type: none"> • Occupational Safety and Health Programme; • General Safety Requirements; • Safety and Health committee; • Personnel Protective Equipment Programme; • Chemical Safety Procedures; • Emergency Response Plan. <p>Observed also the first aider is found to be trained. In general all first aider are found to be trained.</p> <p>Evidence of training in the form of training records and attendees is available during the audit.</p> <p>Hazardous sign (including no smoking sign) are also been placed at all designated hazardous areas such as workshop, chemical store and scheduled waste store.</p> <p>Verification during the field visit evidenced that proper PPE is used for workers during working at their respective working areas. In addition, first aid kit is found to be available at all operation areas visited; both mill and estates visited. The first aid kit is found to be in good condition, and which also include the emergency contact number should there is evidence of accident occur on the field.</p> <p>Furthermore, fire extinguisher is found to be constantly checked and monitored to ensure that such equipment is at workable stage.</p> <p>Several accident happen at sterilizer area in Pamol Mill involve of steam leaking and sterilizer door resulted severe injury. Corrective action taken by the mill was not sufficient to address root cause of the accident to prevent from recurrence (Observation 04).</p>				
4.7.2	Records should be kept of all accidents and periodically reviewed at quarterly intervals				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>In the mill, all accident records can be found in the specific folder number 17 (Accident Report Folder). Summary/ Statistic of accident and poisoning case including safety committee meeting are recorded in the company's Occupational Safety and Health – Monthly Key Performance Indicator (KPI) that need to be submitted before the 10th day of the following month.</p> <p>Accident records are found to be updated on a monthly basis (using JKPP 6 form) for both Mill and Estates. Observed also JKPP 8 is used for reporting the accident records at a yearly basis. Observed that latest submission was conducted as follows:</p> <ul style="list-style-type: none"> • 05 September 2014 – Pamol POM. Letter signed by the Mill Manager (Mr.Kanny @ Paul Sitip) 				
4.7.3	Workers should be covered by accident insurance				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>All Workers (both local and foreign) are found to be covered by the valid accident insurance.</p> <p>Local Workers are bound to subscribe to EPF and SOCSO in addition to their accident insurance.</p> <p>Insurance policy for foreign workers for all estates and mill can be found in the Workmen Compensation Policy Schedule File.</p>				

	Observed example of insurance policy as follows:																					
	<ul style="list-style-type: none"> • Pamol POM – MSIG Insurance – Policy No. DL-08837904-FWC with a validity period from 01 October 2014 to 30 September 2015 covering 72 workers; • Ulu Estate – MSIG Insurance – Policy No. DL-08838190-FWC with a validity from 01 October 2014 to 30 September 2015 – 283 workers; • Rungus Estate – MSIG Insurance – Policy No. DL-08838231-FWC with a validity from 01 October 2014 to 30 September 2015 – 223 workers. 																					
Criterion 4.8: All staffs, workers, smallholders and contractors are appropriately trained.																						
4.8.1	A training programme (appropriate to the scale of the organization) that included regular assessment of training needs and documentation, including records of training for employees are kept			<i>Major</i>																		
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>																		
Objective evidence:	<p>A training programme and plan for 2013/2014 is available.</p> <p>In addition the training records conducted for 2014 are also available and kept in the training file at each estate and mill. Example of trainings conducted in mill are as follows:</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>RSPO Supply Chain & Keselamatan Bekerja di Tongkang Minyak (Barge)</td> <td>09/01/2014</td> </tr> <tr> <td>Latihan Keselamatan Bekerja di Tempat Tinggi</td> <td>11/01/2014</td> </tr> <tr> <td>Latihan Personal Protection Equipment</td> <td>18/02/2014</td> </tr> <tr> <td>Safety & Health</td> <td>16/06/2014</td> </tr> <tr> <td>First Aid</td> <td>07-10/07/2014</td> </tr> <tr> <td>Recycle Waste</td> <td>12/11/2014</td> </tr> <tr> <td>Sexual Harassment</td> <td>20/11/2014</td> </tr> <tr> <td>Grievance</td> <td>12/11/2014</td> </tr> </tbody> </table>				Training	Date	RSPO Supply Chain & Keselamatan Bekerja di Tongkang Minyak (Barge)	09/01/2014	Latihan Keselamatan Bekerja di Tempat Tinggi	11/01/2014	Latihan Personal Protection Equipment	18/02/2014	Safety & Health	16/06/2014	First Aid	07-10/07/2014	Recycle Waste	12/11/2014	Sexual Harassment	20/11/2014	Grievance	12/11/2014
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Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity				
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.				
5.1.1	Documented aspects and impacts risk assessment that is periodically reviewed and updated			<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	<p>Environmental Impact Assessment, management action plans and continuous improvement program for Ulu & Bayok Estate are available and reviewed annually.</p> <p>Environmental Impact Assessment, management action plans and continuous improvement program for the mill was reviewed and updated on 1st Oct 2014.</p> <p>The revised version prepared by the estates manager and approved by the plantation controller specifies the updates of the aspects and impacts identified following to the EIA that has been conducted.</p>			
5.1.2	Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored			<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	<p>For the mill, continuously desludging using the 'Greentube' bag. Area that can fit about 22 bags already be prepared and now in operation. The purpose of the greentube bag is to reduce BOD of the POME.</p> <p>Action plans, monitoring and continuous improvement program for each environmental impact is available.</p>			

Criterion 5.2: The status of rare, threatened or endangered species (ERTs) and highly conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.					
5.2.1	Identification and assessment of HCV habitats and protected areas within land holdings and attempt assessments of HCV habitats and protected areas surrounding landholdings				Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>In the latest reviewed plan on November 2014, total areas within the estates with High Conservation Value (HCV) have been identified for biodiversity and environmental protection. Management to conserve the HCV value has been initiated. These areas have been identified on Geographical Information System (GIS maps), and marked in the field. Ecological types have been identified and a provisional list of species present drawn up.</p> <p>The management of the estates evaluated to identify areas within that can be considered to have conservation value as compared to the monoculture oil palm stand. Conservation attempts in the PAMOL group of estates are commendable. There should be an attempt to reassess all conservation areas using High Conservation Value techniques to assist in developing a conservation management plan. The conservation has to be systematic and planned. Long-term commitment in terms of funding and management has to be formally recorded. For full compliance a systematic and planned approach indication long term conservation commitment has to be demonstrated (Observation 05).</p> <p>The proboscis monkey (<i>Nasalis larvatus</i>) has been identified as an endangered species in the PAMOL group of estates. Active management to protect the population is demonstrated by maintaining intact riparian habitats for this species. The group is seeking to collaborate with a local university to help protect and conserve the population. The maintenance of habitats within the plantation complex and its proximity to forested areas is a constructive effort to protect species especially hornbills.</p> <p>As stated above especially in the PAMOL Group of estates, there is an attempt to actively manage identified conservation areas. Plans to survey these areas and enrich the habitats are being considered. Effort is being made to prevent the deterioration of these habitats. IOI has a no hunting policy and this is strictly enforces. Awareness regarding the importance of these conservation areas within the PAMOL group is ongoing. Attempts have been made to promote these sites form conservation education to the local schools. An education programme is being developed.</p>				
5.2.2	Management plan for HCV habitats (including ERTs) and their conservation				Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>The updated management plan dated 23 November 2014 for HCV is available during onsite audit.</p> <p>The common management plan for different HCV mainly focus on signage (Barring any hunting activities), patrolling (boundary of Ulu Tungud and Bidu-Bidu Forest Reserve), training (not to spray the steep hill and riparian) & awareness program.</p>				
5.2.3	Evidence of a commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts				Minor
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>The management of the individual estates has taken action to discourage any illegal or inappropriate hunting fishing or collecting activities. IOI Pamol has erected many 'no hunting' sign within the estates and conducted a number of awareness training to the workers and local communities to discourage hunting and disturbance to the natural areas.</p>				
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.					
5.3.1	Documented identification of all waste products and sources of pollution				Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>Documented identification of all wastes products identified within the estates and mill is highlighted within the EIA document (reviewed on November 2014). The plan contains the identification of the pollutions, the environmental impact of the pollution, the improvement (action) plan, documents that need to be reviewed and management review comments. The document</p>				

	<p>specifies the following pollution source that has been identified as follows:</p> <ul style="list-style-type: none"> • Palm Oil Mill Effluent (POME) – Pollutant; • Empty fruit bunch (EFB) – mill waste product; • Fibre/Shell/Boiler ash (mill waste product after burning fibre and shell); • Scheduled Waste Store- spent oil/lubricants and empty chemical containers – layout of storing used oil/lubricant and empty chemical containers; • Workshop- incidents that may occur following to the spillage or leakage oil from vehicle; • Scrap metal; • Pruned oil palm fronds; • Diesel – design of oil trap; • Usage of diesel generator; • Efficient usage of electricity and office papers; • Pesticides store/premixing of chemical area – for weeding and [pests operations]; • Clinical waste; • Recreational park (only in Meliau and Nangoh); • Washing of floor lubricant, CPO from Marshal yards, ramp etc. (Pamol POM); • Noise pollution (Pamol POM); • Smoke emission (Pamol POM); • Generator (Pamol POM); • Jetty and CPO dispatch from mill storage tank (Pamol POM); • Landfill; and • Domestic waste e.g. bottles, tin, tyres, plastic etc, sewage and garden residue. • Scrap iron 				
5.3.2	Having identified wastes and pollutants, an operational plan should be developed and implemented to avoid or reduce pollution				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>At Bayok Estate, all the schedule waste will send to Pamol Palm Oil Mill. The latest schedule waste record which describes the waste category code, name of waste & quantity dated 29/10/2014 is available.</p> <p>Ulu/Bayok estate sent the clinical waste to Ladang Sabah Central Clinic on monthly basics.</p> <p>Domestic wastes are collected 3 times a week and they are buried at landfills. During onsite audit, landfills show no signs of scattered litter or have any noticeable odour. All are way from residential areas and rivers.</p> <p>Visit to the line-site showed that the company has allocated a recycling bin outside of the house together with a single waste bin for domestic waste meant to be disposed at the landfill. Random verification in the domestic waste bin showed no evidence of scheduled waste in the waste bin.</p> <p>At mill, the oil trap was checked daily and cleaned weekly to ensure there is no overflow of any oil/pollutant. The schedule waste from estate and the mill will send to licensed contractor:</p> <p>a. Petrojadi Sdn Bhd: License No: 00728 & 00734.</p> <p>b. Ng Sian Hap Pottery Factory (Sabah) Sdn Bhd: License No: 000733</p> <p>One of consignment Note for schedule waste record: 0139 for empty drum SW409.</p> <p>The scrap metal was collected by the contractor one a year through the tender contract by Head Quarters. Contract and record is available to view during onsite visit.</p> <p>Domestic waste at mill site are collected twice weekly by contractor.</p>				
5.3.3	Evidence that crop residues/biomass are recycled (Cross reference C 4.2)				<i>Minor</i>

Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Crop residues such as fronds are stacking on the ground, contour or terrace lips observed during onsite audit. The EFB collection are done continuously and the estate. Record EFB mulching for rungus estate is available.					
	POME treated with the green tube which able to lower the BOD. The sludge from the greentube will send to Rungus estate for land application.					
Criterion 5.4: Efficiency of energy use and use of renewable energy is maximized.						
5.4.1	Monitoring of renewable energy use per ton of CPO or palm product in the mill					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	The renewable energy use record is available in the Daily Fiber & Shell Monitoring Folder No. 13 and found to be up to date.					
	Following is the summary mill boiler fuel monitoring from August – October 2014:					
	a. Aug: 120.42 Kw/MT CPO; 27.33 kW/MT FFB					
	b. Sept: 131.12 Kw/MT CPO; 29.08 kW/MT FFB					
	c. Oct : 124.89 Kw/MT CPO; 28.94 kW/MT FFB					
5.4.2	Monitoring of direct fossil fuel use per ton of CPO or kW per ton palm product in the mill (of FFB where the growers has no mill)					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	The direct fossil fuel use record is available and up to date.					
	Following is the summary mill power & diesel mill monitoring from Oct-Dec 2014:					
	a. Oct: 9.97 kW/MT CPO; 2.24 kW/MT FFB					
	b. Nov: 15.52 kW/MT CPO; 3.46 kW/MT FFB					
	c. Dec: 20.88 kW/MT CPO; 4.46 kW/MT FFB					
Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN Guidance or other regional best practice.						
5.5.1	No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	No open burning evidence during onsite visit.					
	Weekly patrolling around the estate is to inspect for any open burning. Fire patrolling record is available for HCVF & Riparian reserves.					
5.5.2	Previous crop should be felled/mowed down, chipped/shredded, windrowed or pulverized/ploughed and mulched					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	IOI's SOP confirmed that the previous crop should be felled/mowed down and chipped/shredded. However, there are no replanting activities at the moment.					
5.5.3	No evidence of burning waste (including domestic waste)					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Visit to the line site observed no evidence of burning of waste including domestic waste. In addition, within the operation area showed similar observation where there is no evidence of burning found on the ground.					
	The audit team also observed signage is put up at the area for no opening burning or dumping of domestic waste in the said area.					
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.						

5.6.1	Documented plans to mitigate all polluting activities (Cross reference C 5.1)	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The pollution prevention plan is available within the EIA document. The plan contains the identification of the pollutions, the environmental impact of the pollution, the improvement (action) plan, documents that need to be reviewed and management review comments.</p> <p>In Ulu, the generator set is shared with Bayok Estate. The generator house is under Ulu Estate Management. Monthly servicing is carried out to ensure the engines are running in good condition.</p> <p>The monitoring of dust particulate concentrations in the stack flue gases was carried out using isokinetic sampling technique. The intensity of dark smoke emitted from the Chimney No.5 and No. 6 appeared within the smoke emission limit, No. 2, on the Ringelmann Chart at all times. Result:</p> <p>a. Boiler No.5: 0.3672 g/Nm³, b. Boiler No.6: 0.3684 g/Nm³</p>	
5.6.2	Plans are reviewed annually	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Management plan are reviewed annually and approved by the Sustainability Manager and respective manager.</p> <p>Onsite inspection confirmed that the plan has been implemented as described in the plan such as the waste oil storage area near genset house.</p>	
5.6.3	Monitor and reduce peat subsidence rate through water table management (Within ranges specified in C 4.3)	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No peat within the Pamol estate.	

Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers		
Criterion 6.1: Aspects of plantation and mill management, including replanting, that have social impacts 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 continuous improvement.		
6.1.1	A documented social impact assessment including records of meetings	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The documented Social Impact Assessment (SIA) – Management Action Plans & Continuous Improvement Plan dated 20 November 2014 for Ulu Estate and 30 November 2014 for Bayok Estate and 30 December 2013 (Pamol POM) are available and has been reviewed.</p> <p>The documents listed a series of sections relating to social of which one of it is on Social Impact Assessment (Appendix 4) that specifies methodology, social surveillance assessment and continuous improvement of social impact assessment.</p> <p>The SIA acted as the medium for an active impact assessment document where a reasonable amount of consideration has been given to mitigate social impacts for employees and surrounding local communities affected by the plantations and mill.</p> <p>In addition, a Social Action Plan is established on annual basis with a view to resolve social issues adequately, in terms of clearly outlining the responsibilities for mitigation and monitoring.</p>	
6.1.2	Evidence that the assessment has been done with the participation of affected parties	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>All records of meetings, consultation takes place during the SIA is incorporated in the assessment document. List of the stakeholders consulted are also available within the document.</p> <p>Furthermore, consultation during the establishment of Social Action Plan is also conducted.</p>	

	<p>The evidence of such participative consultation with the relevant and affected stakeholders that was held on 19 November 2014 and is participated by various agencies and bodies i.e. government agencies, local communities, NGOs and private sectors (contractors and neighboring estates) is evident within the document.</p> <p>Evidence of the above stakeholder consultation conducted are available in the form of signed attendance list as well as pictorial evident showing the consultation that takes place.</p> <p>The minutes of the meeting of the consultation is also maintained.</p>				
6.1.3	A timetable with the responsibilities for mitigation and monitoring is reviewed and updated as necessary				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>There is Social Action Plan established specifying the issues and strategies to be implemented and reviewed on a yearly basis. In general, the action plan specifies the following plan:</p> <ul style="list-style-type: none"> • Line site cleaning; • Fire fighting training; • Line site sanitation check; • Employee consultative meeting; • ELCB check; • Grievance procedure training; • Sexual harassment policy training; • Group policy training; • Line site structure checks; • Annual impact review; • Security guard training; • Sport day; • Labour day celebration; • Emergency response training; • Annual thanksgiving fest; • Meeting with representative of places of worship; and • Checking of estate amenities. <p>Furthermore, Social Action Plan also specifies the responsible person to implement and the timeframe for the action plan to be conducted.</p>				
<p>Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>					
6.2.1	Documented consultation and communication procedures				<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>The consultation and communication procedures is found to be integrated within the SIA document under the following sections:</p> <ul style="list-style-type: none"> • 8.0: Grievance Procedure; • 9.0: Sexual Harassment Procedure; • 10.0: Stakeholder Request Procedure; • 11.0: Grievance Procedure for Land Owner Issues 				
6.2.2	A nominated plantation management official at the operating unit responsible for these issues				<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>IOI Pamol has assigned the Social Liason Officer as the responsible person in handling all matters and issues pertaining to social that covers the following responsibilities:</p> <ul style="list-style-type: none"> • Welfare and social needs of stakeholders (i.e. workers, suppliers, smallholders Kampong etc directly related to estate). • Periodic visits to line site and social amenities to ensure that buildings are in good order (through Hospital Assistant). • Periodic visits to neighboring stakeholders on a reactive manner to ensure that social issues are being taken care of (to have consultation to ensure that communication chain is available and maintained). • Identification of social issues affecting stakeholders and neighbouring community/ies and to decide upon mitigation plans to solve social issues after consultation with the manager. • Maintenance and monitoring of grievance issues and facilitate feedback mechanism to ensure that a line of communication is available. • Monitoring of crèche and day care centre to ensure that children are being well taken care of and adequately educated. 				

	<ul style="list-style-type: none"> To stakeholder's requests and ensure that requests are followed up with a response. Grievance issues (encompassing social, work, repairs, etc.) and ensuring that proper follow up is conducted (this is to be documented). Safety and health aspect of line site / estate / workers etc. Other social issues arising / ad hoc social issues (this is situation dependent). <p>An appointment letter signed by the estates manager appointing the liaison officer is available.</p>	
6.2.3	Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>List of stakeholders at estate and mill level and records of communication is available. These include local banks, contractors, vendors, local authority services, government agencies including the list for NGOs, neighbouring mills, surrounding local communities (Kampung Bayok, Kampung Mangkaniok etc) and estates etc.</p> <p>Evidence of the above stakeholder consultation conducted are available in the form of signed attendance list as well as pictorial evident showing the consultation that takes place. The minutes of the meeting of the consultation is also maintained.</p>	
<p>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</p>		
6.3.1	Documentation of the process by which a dispute was resolved and the outcome	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>All records of complaints and grievances external and internal are kept within the Grievance/Request Record Book.</p> <p>As of the date of the Annual Surveillance Audit, there are no complaints received from outsiders and workers except on certain normal matters pertaining to the broken/obsolete amenities within the workers line site and request of replacement of PPEs.</p> <p>To address all the grievances and complaints raised by the relevant interested stakeholders, IOI Pamol has established the procedures covering the above-mentioned grievance and sexual harassment procedures highlighted in 6.2.2 to resolve the grievance raised in the form of flow chart that is formulated in both English and Malay language and is found to be posted on the company's notice board.</p> <p>Furthermore the procedure to resolve the grievances involving land issues is established. Among others, the mechanism highlights the way of resolving the grievances through the following steps:</p> <ul style="list-style-type: none"> Direct Negotiation; Arbitration using independent arbitrator if Direct Negotiation is not able to solve the grievance; Native Court if Arbitration is not able to solve the grievance; and Civil Court as the ultimate platform if Native Court is not able to solve the grievance. 	
6.3.2	The system resolves disputes in an effective, timely and appropriate manner	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The established grievance procedures specify the estimated time that required to be taken for each of the process to be addressed before proceed to the subsequent process. During the Recertification Audit the Grievance/Request Record Book are viewed and all request and grievances are recorded on a case by case basis stating following items:</p> <ul style="list-style-type: none"> the details of the complainant, the date complaints recorded; and the action taken following the complaints raised. <p>Based on the records showed, the auditing team observed that generally the follow-up action has been taken within 5 working days from the day the complaints were received.</p> <p>In POM, request and complaint can be gather from CSR file and grievance book. They also entertain any request by phone call. However, it is depending on type of request. If the request a bit complicated, then the caller need to ask through formal letter.</p>	
6.3.3	The system is open to any affected parties	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The system for dealing with complaints and grievances is opened to all affected parties and interviews with workers and stakeholders indicate that no discrimination has taken place. The system is opened to any affected parties through:</p> <ol style="list-style-type: none"> Employees Consultative Committee (ECC). 	

	ii. Gender representation (at least a designated gender representative).						
	iii. Designated grievance book which is endorsed by the complainants when action has been taken to resolve a grievance.						
Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.							
6.4.1	Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation						<i>Major</i>
Findings	In compliance:	Yes:	X	No:			
Objective evidence:	As stated in Indicator 6.3.1, the procedure to resolve the grievances involving land issues is established. Among others, the mechanism highlights the way of resolving the grievances through the following steps: <ul style="list-style-type: none"> • Direct Negotiation; • Arbitration if Direct Negotiation is not able to solve the grievance; • Native Court if Arbitration is not able to solve the grievance; and • Civil Court as the ultimate platform if Native Court is not able to solve the grievance. 						
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land.						<i>Minor</i>
Findings	In compliance:	Yes:	X	No:			
Objective evidence:	IOI Pamol has a procedure in place for calculating and distributing fair compensation. That can be divided into two sections as follows: <p>a) The procedures for compensation involving workers:-</p> <ul style="list-style-type: none"> • In general, this procedures deal with the procedures for retrenchment benefits for workers that is formulated based in the national industrial standard, National Union of Plantation Workers (NUPW) and IOI Pamol agreement. <p>b) The procedures for compensation involving land owners:-</p> <ul style="list-style-type: none"> • This procedure for dealing on any issues relating to land and native customary rights that is formulated step wise from the receipt of the grievance from the land owner. 						
6.4.3	The process and outcome of any compensation claims is documented and made publicly available						<i>Minor</i>
Findings	In compliance:	Yes:	X	No:			
Objective evidence:	No incidences of compensation of claims occur. Interview with a local communities of Kampung Bayok and Kampung Mangkaniok respectively confirmed that there are no outstanding legal or customary disputes occur between them and the company						
Criterion 6.5: Pay and conditions for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.							
6.5.1	Documented of pay and conditions						<i>Major</i>
Findings	In compliance:	Yes:	X	No:			
Objective evidence:	Every worker is paid the recently government decreed minimum wage and this is well in line with the company's commitment. The estates also encourage the workers to keep on improving their productivities in order to earn more. Samples of payslip were checked and it was evident that most workers earned more than the minimum wage. A couple of spraying workers and their mandore were interviewed on whether they understood the various pay or deduction items contained in their payslips.						
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit						<i>Minor</i>
Findings	In compliance:	Yes:		No:	X		
Objective evidence:	The foreign worker's work contracts were verified. The contracts are written in English for Philippines and Bahasa Malaysia for local and Indonesian workers. The contracts are found to be specifying at least the followings:						

	<ul style="list-style-type: none"> • Working hours; • Salary rates (with reference to the agreement between MAPA and NUPW); • Deduction; • Payment for overtime; • Leave entitlement covering annual leaves, sick leaves, maternity leave and public holiday; • Entitlement for basic amenities in term of housing, electricity, water supply; • Workmen Compensation Scheme for Foreign Workers; • Procedure for dismissal and period of notice; and • Safety and health of the workers. <p>With regard to the workers insurance, the workers are covered through the group insurance. During the audit, the insurance policy for foreign workers at Ulu estate bearing policy number DL-08838190-FWC covering 283 workers was made available to the auditors for inspection.</p> <p>However, in all visited estates, information concerning the terms and conditions that are stated in the workers contract are not disseminated and explained to them especially on paid leave, insurance, travelling expenses, funeral expenses, fulfill 90% annual attendance, medical leave and etc .</p> <p>(Minor CAR 04)</p>					
6.5.3	<table border="1"> <tr> <td>Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders)</td> <td style="text-align: center;"><i>Minor</i></td> </tr> </table>	Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders)	<i>Minor</i>			
Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders)	<i>Minor</i>					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td style="text-align: center;">X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:	
In compliance:	Yes:	X	No:			
Objective evidence:	<p>Workers have access to clean water, segregated sanitary and bathing facilities and electricity.</p> <p>All employees are given adequate housing, medical, educational and welfare amenities and waste disposal facilities in accordance with Workers' Minimum Standard of Housing and Amenities Act.</p> <p>Disposal of domestic solid wastes at the line site is conducted at least twice a week.</p>					
	<p>Criterion 6.6: The employer respects the right 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.</p>					
6.6.1	<table border="1"> <tr> <td>Documented minutes of meetings with main trade unions or workers representatives</td> <td style="text-align: center;"><i>Major</i></td> </tr> </table>	Documented minutes of meetings with main trade unions or workers representatives	<i>Major</i>			
Documented minutes of meetings with main trade unions or workers representatives	<i>Major</i>					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td style="text-align: center;">X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:	
In compliance:	Yes:	X	No:			
Objective evidence:	<p>Employees Consultative Committee (ECC) at POM and estates has been established. The ECC handles minor issues dealing with repair of amenities and provision of facilities. Where foreign workers are concerned, freedom of association is subjected to Malaysian labour and immigration regulations.</p> <p>Ulu, Bayok and Rungus Estates implement ECC where 100% of its members are workers of the estates. All members are elected in a democratic manner by their colleagues that is verified and approved by the estate's top management.</p> <p>For mill, the committee can be divided into the following work divisions:</p> <ul style="list-style-type: none"> • Assistant supervisor; • Weighbridge workers; • Workshop; • Storekeeper; • Laboratory workers; • Security workers; • General workers; and • Processing workers. <p>The up-to-date organization chart is also available indicating the members of the committee and also confirming that the committee is consisting of 100% workers. An appointment letter for each of the representative is available highlighting the role and responsibilities as a member of the</p>					

	<p>committee as follows:</p> <ul style="list-style-type: none"> • Assist in establishing Procedure for Employees Consultative and safe working system; • To study the effectiveness of the employees consultative programme • To conduct a study on the workers welfare • To report to the employers on any unsafe situation or practices in working environment and to recommend the enhancement programme • To review the employees consultative policy at the working environment and to establish a recommendation to be forwarded to the employers. <p>In practice, all matters discussed concerning the workers right i.e. safety, health, minimum wages, child labour and anti-discrimination during the meeting will be channelled to the estate's top management by the chairman together with its top committee members.</p>	
6.6.2	A published statement in local languages recognizing freedom of association	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	A valid freedom of association policy dated 20 August 2008 is available in all local languages i.e. Malay, English, Chinese, Kadazandusun, Tagalog and Indonesian language. The policy is found to be posted on the company's notice and information wall.	
Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.		
6.7.1	Documented evidence that minimum age requirement is met	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Policy statement for no child labour dated 5th November 2009 endorsed by the Group is available. The policy indicates that IOI Corporation adopted a policy of only workers above 18 years old is employed by the company. Based on the employment record, the youngest workers employed is 21 years old.	
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation union membership, political affiliation or age is prohibited.		
6.8.1	A publicly available equal opportunities policy	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	There is a publicly available equal opportunities policy dated 20 August 2008 which states that the company is an equal opportunity employer, whereby the company does not practice discrimination based on race, caste, national, origin, disability, gender, sexual orientation, union membership, political affiliation, or age.	
6.8.2	Evidence that employees and groups including migrant workers have not been discriminated against	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	There is no evidence of discrimination when a cross section of employees was interviewed. A functioning grievance mechanism is in place. The ECC also looks into allegation of discrimination if reported.	
Criterion 6.9: A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.		
6.9.1	A policy on sexual harassment and violence and records of implementation	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	A policy on sexual harassment exists that is dated 04 January 2008 and signed by the Group Plantation Director. The policy was also written in the Malay language and displayed on the notice boards. No evidence or acts that contradict this policy were observed. Interviewed with Gender Committee was conducted and found there were no incidents of sexual harassment happened in the estates. Ulu estate has conducted a specific meeting relating to sexual harassment on 20 June 2014 and has conducted a sexual harassment training on 10 July 2014.	
6.9.2	A specific grievance mechanism is established	<i>Minor</i>

Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>A mechanism for recording harassment is also available. No evidence or acts that contradict this policy were observed. Discussion with the workers shows that the company provides fair and just treatment to women. Grievance mechanism for sexual harassment is in place. A documented sexual harassment grievance mechanism exists.</p> <p>A Gender Representative appointed for each estate and mill, whose duties covering the following:</p> <ul style="list-style-type: none"> • To receive report or complaint from victim of sexual harassment • To prepare detailed report relating to sexual harassment • To discuss with the advisor of the committee on the required action to be taken to the offender after the investigation is executed • To prepare the detailed report for investigation and action to be taken • To ensure that all information pertaining to all report received be treated as confidential. <p>The Gender Representative is also in-charge of communicating the Policy on the Prevention and Eradication of Sexual Harassment in the Workplace to the workers and staff.</p>				
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.					
6.10.1	Pricing mechanisms for FFB and inputs/services shall be documented				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not applicable as Pamol oil mill is not sourcing FFB from outside suppliers including smallholders. All contractual agreements are legal and appear to be fair and transparent. Interviews with suppliers and contractors at the estates reveal that all payments are made in a timely manner.				
6.10.2	Current and past prices paid for FFB shall be publicly available				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not applicable as Pamol oil mill is not sourcing FFB from outside suppliers including smallholders. All contractual agreements are legal and appear to be fair and transparent. Interviews with suppliers and contractors at the estates reveal that all payments are made in a timely manner.				
6.10.3	Evidence that all parties understand the contractual agreements they enter into and that contracts are fair, legal and transparent				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not applicable as Pamol oil mill is not sourcing FFB from outside suppliers including smallholders. All contractual agreements are legal and appear to be fair and transparent. Interviews with suppliers and contractors at the estates reveal that all payments are made in a timely manner.				
6.10.4	Agreed payments shall be made in a timely manner				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not applicable as Pamol oil mill is not sourcing FFB from outside suppliers including smallholders. All contractual agreements are legal and appear to be fair and transparent. Interviews with suppliers and contractors at the estates reveal that all payments are made in a timely manner.				
Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.					
6.11.1	Demonstrable contributions to local development that are based on the results of consultation with local communities				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The individual estate and the mill have a very basic form of corporate social responsibility (CSR), which usually involves stakeholders, especially the local communities approaching them for donations on various occasions such as religious celebrations, for the upkeep and maintenance of schools, family day, sports day etc.</p> <p>Contribution to workers also is evident such as providing the usage of facilities for wedding event, the donation following the death of workers, during the wedding of the workers as well as donation for medical treatment of workers who suffer from serious illness such as cancer.</p> <p>All activities and contribution rendered are recorded in the Social and Grievance Record for each of the financial year.</p>				

Principle 7: Responsible Development of New Plantings
This whole Principle is not applicable to this assessment as there are no new plantings. The company is only involved in re-planting programme after felling of old palms and there is no plan for expansion.

Principle 8: Commitment to Continuous Improvement in Key Areas of Activity						
Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.						
8.1.1	Minimize use of certain pesticides (C 4.6)					<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>	
Objective evidence:	<p>The use of pesticides was well monitored in IOI Pamol's estate as evidenced by the available records of usage and costing. Usage of herbicides were reduced and minimized through judicious circle sprayings and selective weeding for the inter-rows as and when the need arises.</p> <p>The planting of beneficial plants for the proliferation of insect pest predators and parasitoids as well as the establishment of barn owl boxes to effect biological rat control were efficacious for reducing pesticides usage.</p> <p>The use of various major agrochemicals were recorded individually and separately for better monitoring purpose.</p>					
8.1.2	Environmental impacts (C 5.1)					<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>	
Objective evidence:	<p>Environmental management is supported by Pollution Prevention Plan and SIA.</p> <p>This is reviewed and assessed annually.</p>					
8.1.3	Maximizing recycling and minimizing waste or by-products generation					<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>	
Objective evidence:	<p>Continuous de-sludging using the Green tube bag. Area that can accommodate about 22 bags have already been prepared and now in operation. The solid or sludge will be sent to Ulu estate for land application. The EFB collection from the mill for field application was done continuously by Ulu Estates.</p> <p>Pamol Mill has conducted training on recycle waste to their workers on 12 Nov. 2014. All recycle material at Pamol Mill will be sell to the recycle collector in Sandakan. Receipt of payment from the buyer are available in Recycle item Folder.</p>					
8.1.4	Pollution prevention plans (C 5.6)					<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>	
Objective evidence:	<p>Pollution prevention plans has been reviewed and assessed annually and focus on improvement. Identification of pollution sources and mitigation measures are identified at each location and action plans are implemented.</p>					
8.1.5	Social impacts (C 6.1)					<i>Major</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>	
Objective evidence:	<p>The SIA for the mill as well as the estates are available outlining the methodology approach of the document.</p> <p>All records of meetings, consultation takes place during the SIA is incorporated in the document. List of the stakeholders consulted are also available. There is evidence of action plan incorporated in the SIA.</p> <p>The action plan describes the plan for mitigating the impacts identified in the SIA as well as plan to monitor the impact.</p> <ul style="list-style-type: none"> o There is evidence of Action Plan for Social Impact Assessment that is reviewed annually 					
8.1.6	A mechanism to capture the performance and expenditure in social and environmental aspects					<i>Minor</i>
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>	
Objective evidence:	<p>One of the mechanisms used to capture the performance and expenditure in social and environmental aspects is through the yearly financial budget meeting and planning. Each estate will prepare their estimates based on the staff and workers' representatives. This will then be presented to the management for approval.</p>					

3.1.2 Supply Chain

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

Module D: Segregation

Module D.1: Documented Procedures					
Criterion D.1.1: The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements.					
D.1.1.1	Complete and up to date procedures covering the implementation of all the elements in these requirements				
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has the up to date procedures title: RSPO Supply Chain- Module D – CPO Mills: Segregation dated 3 rd September 2013. (RSPOSC/SOP/SG/4 Issue 03)				
D.1.1.2	The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements				
Verifiers and guidance:					
This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Kanny @ Paul Sitip as the mill manager and having overall responsibility for and authority over the implementation of these requirements and he demonstrated awareness for all the procedures. Organization chart latest up date 2014.				
Criterion D.1.2: The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	As stated in the procedures title: RSPO Supply Chain- Module D – CPO Mills: Segregation dated 3 rd September 2013; clause 4.1.1: RSPO certified Palm Oil Mill shall only receive crop exclusively from IOI's own certified estates. The company did not receive non-certified FFBs. <ul style="list-style-type: none"> - receiving – 4.0 Reception - processing – 5.0 Processing and storage - non-certified FFBs – Dealing with 100% certified fruit. 				

Module D.2: Purchasing and Goods In					
Criterion D.2.1: The facility shall verify and document the volumes of certified and non-certified FFBs received.					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company only receive documented crops from their own estates. Maintained FFB received by estate: (January 2014 – October 2014) Bayok; 35286.72 MT Meliau; 68217.39 MT Nangoh; 39863.26 MT Runggus; 48733.02 MT				

	Tindakon; 16748.56 MT Ulu: 24768.95 Total: 233618.9 MT				
Criterion D.2.2: The facility shall inform the CB immediately if there is a projected overproduction.					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Up to date, there is no overproduction. However, there is procedure developed in the SOP (Section 10.0 Overproduction procedure)				

Module D.3: Record Keeping

Criterion D.3.1: The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.
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Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Pamol has maintained records:</p> <ol style="list-style-type: none"> 1. Daily production report 2. Monthly progress report 3. Mass balance record <p>RSPO FFB received is accompanied with:</p> <ul style="list-style-type: none"> - Pamol Mill gate pass. - Estate FFB dispatch chit - Grading chit - Weighbridge ticket <p>CPO dispatch is accompanied with:</p> <ul style="list-style-type: none"> - Shipment schedule - BL - CSPO details (Chain of custody) - DO - Badge inspection Checklist - MPOB PL3 <p>All the reports are complete and up to date.</p> <p>Eg:</p> <p>The documents were checked such as:</p> <ol style="list-style-type: none"> a. IOI Commodity Trading Sdn Bhd contract dated: 18 November 2014; Ref: CI 2337/1410 b. Tanker Bill of Lading B/L No: 38/2014 c. Chain of custody report (date: 18.11.2014; Serial No: PPOM/CSPO/38/2014) d. Palm Oil Mill daily product report dated 17 - 19-2014 <p>MPOB L3 - 027960054</p>				

Criterion D.3.2: Retention times for all records and reports shall be at least five (5) years.
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Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The retention times for all records and reports were more than 5 years since 2006. 2009 records were examined, the above report and records are well maintained.				

Criterion D.3.3: The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence:	The company record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and palm kernel on daily basis in the Daily production record and summarized into monthly in MB report.				
Criterion D.3.4: The following trade names should be used and specified in relevant documents (e.g. purchase and sales contracts, *product name*/SG or Segregated). The supply chain model used should be clearly indicated.					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Chain of Custody report, Dry certificate, Dry sheet, sounding report and Delivery order stated "CSPO" and "SG"</p> <p>The supply chain model used clearly on the following documents:</p> <ul style="list-style-type: none"> a. Delivery order (PK/CPO No: 2131) b. Dry Certificate dated 30-12-2013 c. Notice of vessel's readiness dated 29-12-2013 d. Clean Certificate dated 30-12-2013 e. Certificate of tankers Voy No: 03-13 H-H-51 f. Contract number: C11755/1312 & C11807/1401 (Crude Unbleached Palm Oil in Bulk; ISCC/RSPO SG) 				

Module D.4: Sales and Good Out					
Criterion D.4.1: The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:					
<ul style="list-style-type: none"> a) The name and address of the buyer b) The date on which the invoice was issued c) A description of the product, including the applicable supply chain model (Segregated) d) The quantity of the products delivered e) Reference to related transport documentation 					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>One of the contract was sampled (ref: R31749/1312)</p> <ul style="list-style-type: none"> a. Buyer: IOI Edible Oil Sdn Bhd; Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya b. Product: Crude Unbleached Palm Oil in Bulk; ISCC/RSPO (SG) c. Quantity: 2000 Metric tones d. Transport: 				

Module D.5: Processing					
Criterion D.5.1: The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non-certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100% segregated material to be reached. The systems should guarantee the minimum standard of 95% segregated physical material; up to 5% contamination is allowed.					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company only receives FFBs from their own estates.				
Criterion D.5.2: The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.					
Findings	In compliance:	Yes:	X	No:	
Objective	The company only receive crop from their own estates; following documents can be traced back				

evidence:	to only certified segregated material such as:				
	<ul style="list-style-type: none"> a. Weighbridge ticket b. Palm Product Gate Pass c. FFB Despatch Chit d. Grading Chit 				
	Criterion D.5.3: In cases where a mill outsource activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to separately certified. The mill has to ensure that:				
	<ul style="list-style-type: none"> a) The crush operator conforms to these requirements for segregation b) The crush is covered through a signed and enforceable agreement 				
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company sell the palm kernel to their internal group member which is IOI Refinery located in Sandakan. The contract is available to demonstrate the relevant details (product: Palm kernels; Model: CSPK/SG) Pamol Mill has delivered in the total of 10986.370 MT of PK to IOI Edible Oil.				

Module D.6: Training					
Criterion D.6.1: The facility shall provide the training for all the staff as required to implement the requirements of the Supply Chain Certification System.					
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The training was conducted on 10 November 2014 and all the relevant personnel have joined the training such as: Mill manager, supervisor, laboratory, store, weighbridge officers etc.				

Module D.7: Claims					
Criterion D.7.1: The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.					
Findings	In compliance:	Yes:	X		
Objective evidence:	Up to date, the facility did not use any claim.				

3.2 Corrective Action Requests

A total of **0** Major and **2** Minor were raised. Please refer to **Appendix A** for the detailed findings and relevant correction actions that have been taken.

3.3 Status of Non-Conformities Previously Identified

Please refer to **Appendix B** for the previous audit findings and the status.

3.4 Issues Raised by Stakeholders and Findings

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

4. ACKNOWLEDGEMENT OF ORGANIZATION INTERNAL RESPONSIBILITY

4.1 Conclusion

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

4.2 Date of Next Surveillance Visit

The next surveillance audit is planned within twelve months after the date of this audit.

4.3 Date of Closing Non-Conformities

Please refer to **Appendix A** for information of date for close out non-conformities.

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

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

Signed on behalf of [client name]	Signed on behalf of SGS Malaysia Sdn Bhd
 <p>Too Heng Liew, Head of Sustainability, Malaysia/ Indonesia</p>	<p>Sign on behalf of: SGS (M) Sdn. Bhd. SGS (MALAYSIA) SDN. BHD. (10871-T) System & Services Certification No. 26, Jalan Anggerik Vanilla 31/93, Kota Kemuning, 40400 Shah Alam, Selangor. Tel: +6(03) 5121 2310 Fax: +6(03) 5122 5927 www.sgs.com Abdul Haye Semail Manager – Natural Resources</p>

APPENDIX A: CORRECTIVE ACTION REQUEST

NEWLY IDENTIFIED CARS							
CAR #	Indicator	CAR Detail					
03	4.3.1	Date Recorded>	26/11/14	Due Date>	25/11/15	Date Closed>	
		Non-Conformance:					
		Evidence of practices minimizing soil erosion and degradation not fully implemented					
		Objective Evidence:					
		Evidence of river bank erosion present at Sungai Labuk (Block 10D Ulu Estate) was resulted in decreasing the size of buffer strip. There should be an attempt to re-demarcate the buffer strip to ensure management activities will not contribute to the bank disturbances. (Minor CAR 03)					
Close-out evidence:							
04	6.5.2	Date Recorded>	26/11/14	Due Date>	25/11/15	Date Closed>	
		Non-Conformance:					
		Workers not fully aware and understand on their direct contract of employment					
		Objective Evidence:					
		In all visited estates, information concerning the terms and conditions that are stated in the workers contract are not disseminated and explained to them especially on paid leave, insurance, travelling expenses, funeral expenses, fulfill 90% annual attendance, medical leave and etc. (Minor CAR 04)					
Close-out evidence:							

NEWLY IDENTIFIED OBSERVATIONS							
OBS #	Indicator	Observation Detail					
04	4.7.1	Date Recorded>	26/11/14	Due Date>		Date Closed>	
		Non-Conformance:					
		Accident and emergency procedure not fully prevent the accident from recurrence					
		Objective Evidence:					
		Several accident happen at sterilizer area in Pamol Mill involve of steam leaking and sterilizer door resulted severe injury. Corrective action taken by the mill was not sufficient to address root cause of the accident to prevent from recurrence.					
Close-out evidence:							
05	5.2.1	Date Recorded>	26/11/14	Due Date>		Date Closed>	
		Non-Conformance:					
Identification and assessment of HCV habitats and protected areas within IOI Pamol still at minimum level.							

NEWLY IDENTIFIED OBSERVATIONS		
OBS #	Indicator	Observation Detail
		<p>Objective Evidence:</p> <p>The management of the estates evaluated to identify areas within that can be considered to have conservation value as compared to the monoculture oil palm stand. Conservation attempts in the PAMOL group of estates are commendable. There should be an attempt to reassess all conservation areas using High Conservation Value techniques to assist in developing a conservation management plan. The conservation has to be systematic and planned. Long-term commitment in terms of funding and management has to be formally recorded.</p> <p>For full compliance a systematic and planned approach indication long term conservation commitment has to be demonstrated.</p>
		<p>Close-out evidence:</p>

APPENDIX B: NON-COMFORMITIES PREVIOUSLY IDENTIFIED

PREVIOUSLY IDENTIFIED CARS							
CAR #	Indicator	CAR Detail					
M01	4.4.1	Date Recorded>	24/01/14	Due Date>	23/04/14	Date Closed>	18/02/14
Non-Conformance:							
Riparian bufferzones along the water courses and wetlands are not protected.							
Objective Evidence:							
Although Meliau has corrected the buffer zone that was intruded by workers near the Sg. Paliau, it was found that in F95C, there are evidence of the buffer zone is sprayed although signs have been erected to discourage spraying and manuring within the river buffer zone. (Major CAR 01)							
Close-out evidence:							
The IOI Sustainability Manager (Sabah Region) submitted evidence in terms of pictorial as well as documented evidence of training material for Buffer zone protection, its maintenance and attendance of workers held at Meliau Estate.							
<ul style="list-style-type: none"> a) 27/01/14 – Harvesters (1 mandore + 9 harvesters) b) 29/01/14 – Manurers (1 mandore + 10 manurers) c) 30/01/14 – Sprayers (1+15 sprayers) 							
Major 01 – Closed							
N02	5.3.2	Date Recorded>	24/01/14	Due Date>	Next Surv	Date Closed>	18/02/14
Non-Conformance:							
Operational plan for waste management is not implemented to avoid or reduce pollution.							
Objective Evidence:							
Schedule waste such as waste paint container and empty oil drum was observed near the genset house. Oil stain also observed on the ground at the same area. In addition, unknown and unlabeled waste found in the schedule waste store at Meliau estate.							
Close-out evidence:							
The oil spill was cleared from the area immediately. The contaminated soil was removed and sent to the SW store. New soil was put in to cover the resulting hole. Evidence of this was shown to the auditors during the audit.							
The contractor, foreman and driver were reminded not to park or repair vehicles or machinery anywhere except at the designated place (workshop). They were also reminded not to use SW as containers. They were warned not to do this again as it may result in termination of the contract. Removal of SW and cleaning of oil spill done during audit. Reminder and warning given on 27 th January 2013.							
The unknown and unlabeled waste was identified and label being put in the schedule waste store to allocate the space for clinical waste.							
MINOR 02 – Closed							

PREVIOUSLY IDENTIFIED OBSERVATIONS							
OBS #	Indicator	Observation Detail					
01	4.4.5	Date Recorded>	24/01/14	Due Date>		Date Closed>	
		Non-Conformance:					
		Inconsistency in monitoring of water usage in mills.					
		Objective Evidence:					
		The audit team found that the raw water recorded in the 'Summarized Water Consumption Summary July 2012 to June 2013 'did not tally with the accumulated water usage.					
		Close-out evidence:					
02	4.7.1	Date Recorded>	24/01/14	Due Date>		Date Closed>	
		Non-Conformance:					
		Documented OSH plan is not adequately implemented.					
		Objective Evidence:					
		At Nangoh Estate, the risk assessment is found not to be updated according to the accident occur whereby, the latest update was done on August 2013 while there are a series of accidents occur involving the same working field after the revision i.e. 7 cases from September to December 2013.					
		Close-out evidence:					
03	4.8.1	Date Recorded>	24/01/14	Due Date>		Date Closed>	
		Non-Conformance:					
		Inadequate training provided to all workers.					
		Objective Evidence:					
		Despite the effort rendered by the company to promote and educate the workers in term of waste management at line site level, the audit team observed that there is still evidence of lack of awareness by the workers pertaining to reduce, reuse and recycling programme promoted by the company. The audit team observed that there is evidence of recyclable waste thrown in the waste bin meant for disposal in the landfill in one of the house visited. On other occasion in one house, the audit team observed that there is evidence of domestic waste is thrown into the recycling bin placed at the line site.					
		Close-out evidence:					

APPENDIX C: TIMEBOUND PLAN

Jan'08	Feb'08	Mar'08	Apr'08	May'08	Jun'08	Jul'08	Aug'08	Sep'08	Oct'08	Nov'08	Dec'08
				Pamol Sabah Oil Mill (Covering 6 Estates) *						Sakilan Oil Mill (Covering 3 Estate) *	
Jan'09	Feb'09	Mar'09	Apr'09	May'09	Jun'09	Jul'09	Aug'09	Sep'09	Oct'09	Nov'09	Dec'09
		Pamol Kluang Oil Mill (Covering 6 Estates) *					Gomali Oil Mill (Covering 11 Estates) *	Baturong Oil Mill (Covering 4 Estates) *			
Jan'10	Feb'10	Mar'10	Apr'10	May'10	Jun'10	Jul'10	Aug'10	Sep'10	Oct'10	Nov'10	Dec'10
			Bukit Lee Lau Oil Mill (Covering 6 Estates) *				Mayvin Oil Mill (Covering 5 Estates) *				Pukin Oil Mill (Covering 4 Estates) *
Jan'11	Feb'11	Mar'11	Apr'11	May'11	Jun'11	Jul'11	Aug'11	Sep'11	Oct'11	Nov'11	Dec'11
Jan'12	Feb'12	Mar'12	Apr'12	May'12	Jun'12	Jul'12	Aug'12	Sep'12	Oct'12	Nov'12	Dec'12
Syarimo Oil Mill (Covering 9 Estates) ***					Ladang Sabah Oil Mill (Covering 8 Estates) ***						
Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18
						Leepang Palm Oil Mill (Covering 7 Estates)					Unico Production Unit***

IOI Corp. Bhd. Membership on RSPO being suspended

- * Certified Oil Mill
- ** Completed the Audit
- *** In Preparation

APPENDIX D: LIST OF STAKEHOLDERS CONTACTED

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
Harvesters, sprayers, manurers, Mandores, staff, HA, Gender Committee etc.	Internal Stakeholders	<p>There is no issue highlighted by the internal stakeholders.</p> <p>All accommodation and support provided by the estate management are in acceptable condition.</p> <p>Payment of salary has been made according to the agreement signed by the workers at the date of join.</p> <p>Legal documents (passport & working permit) are kept by the estate management to ensure the safeguard. Such documents are provided to the workers when they requested. There is a document signed by the workers to confirm that the workers are not forced to surrender their passport to the management.</p> <p>Interview with several workers found out that they did not fully aware on paid leave, insurance, travelling expenses, funeral expenses, annual attendance, medical leave and etc stated in the direct contract of employment.</p>	Training or explanation on direct contract employment need to be done by the management
Kampung Bayok, Kampung Mangkaniok	External Stakeholder	<p>No issues has been raised by Head of Kampung Bayok.</p> <p>Request on the road maintenance at road 19, 18 Mangkaniok to prevent slippery during rainy season (Head of Kampung Mangkaniok)</p> <ul style="list-style-type: none"> ○ The head of villagers admitted that they have yet to officially forward this request to the company. 	The management need a formal letter regarding road maintenance request from Head of Villagers.