

## **RSPO – Re-Certification Assessment Public Summary Report**

<p>Company Name IOI Corporation Bhd. Pamol Plantation Sdn Bhd</p>
<p>Certification Unit: Pamol Kluang Palm Oil Mill Jalan Kluang – Mersing, Kluang, Johor, Malaysia</p>

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## Section 1 Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	2-0002-04-000-00	<b>Date</b>	Member since: 17 May 2004
<b>Company Name</b>	IOI Corporation Berhad		
<b>Address</b>	Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia		
<b>Mill Address</b>	Pamol Kluang Palm Oil Mill, P.O. Box 1, 86007 Kluang, Johor, Malaysia.		
<b>Subsidiary of (if applicable)</b>	Pamol Plantation Sdn. Bhd,		
<b>Contact Name</b>	Mr. Too Heng Liew (Head Office)		
<b>Website</b>	<a href="http://www.ioigroup.com">www.ioigroup.com</a>	<b>E-mail</b>	<a href="mailto:corp@ioigroup.com">corp@ioigroup.com</a> <a href="mailto:hltoo@ioigroup.com">hltoo@ioigroup.com</a>
<b>Telephone</b>	03-89478888	<b>Facsimile</b>	03-89432266

2. RSPO Certification Information			
<b>Certificate Number</b>	SPO547027	<b>Date</b>	16 March 2010
<b>Scope of Certification</b>	Mill: Pamol Kluang Palm Oil Mill Supply Base: Pamol Barat Estate, Pamol Timur Estate, Mamor Estate, Unijaya Estate, Kahang Estate and Swee Lam Estate.		
Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
NIL	-	-	-

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Pamol Kluang Palm Oil Mill	Jalan Kluang – Mersing, 86007 Kluang, Johor, Malaysia.	103° 23' 24"	2° 06' 36"
Pamol Timur Estate	Jalan Kluang – Mersing, 86007 Kluang, Johor, Malaysia.	103° 24' 06.18"	2° 07' 53.21"
Pamol Barat Estate	Jalan Kluang – Mersing, 86007 Kluang, Johor, Malaysia.	103° 20' 44.17"	2° 06' 44.49"
Mamor Estate	Jalan Paloh, 86007 Kluang, Johro, Malaysia.	103° 18' 58.93"	2° 09' 51.73"
Unijaya Estate	Jalan Kluang – Ayer Hitam, 86007 Kluang, Johor, Malaysia.	103° 17' 07.90"	1° 55' 36.73"
Kahang Estate	Jalan Kluang – Mersing, 86007 Kluang, Johor, Malaysia.	103° 29' 51.83"	2° 19' 55.73"
Swee Lam Estate	Jalan Kulai, Kulai, Johor, Malaysia.	103° 39' 36.25"	1° 40' 55.94"

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4. Description of Certified Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted Area (ha)	Infrastructure & Other (ha)	Total Hectareage	% of Planted
Pamol Timur Estate	1,300	872	2,172	129.35	2,301.35	94.38
Pamol Barat Estate	1,495	699	2,194	83.67	2,277.67	96.33
Mamor Estate	2,115	0	2,115	115.00	2,230.00	94.84
Unijaya Estate	1,028	166	1,194	66.64	1,260.64	94.71
Kahang Estate	2,288	0	2,288	132.00	2,420.00	94.55
Swee Lam Estate	1,126	326	1,452	102.60	1,554.60	93.40
Total	9,352	2,063	11,415	629.26	12,044.26	94.77

5. Plantings & Cycle								
Estate	Age (Years) & Ha.					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Year 2014)	Actual (Year 2014)	Forecast (Year 2015)
Pamol Timur Estate	872	535	568	197	0	31,670	28,701	29,310
Pamol Barat Estate	699	203	0	1,292	0	42,340	36,432	28,869
Mamor Estate	0	95	1480	540	0	61,350	54,421	64,912
Unijaya Estate	166	278	272	478	0	28,370	24,162	22,810
Kahang Estate	0	377	1911	0	0	68,640	57,209	63,812
Swee Lam Estate	326	210	475	412	29	34,610	26,448	30,830
Total	2,063	1,698	4,706	2,919	29	266,980	227,373	240,543

6. Certified Tonnage									
Mill	Estimated (Previous Year Jan 2014 – Dec 2014)			Actual (This Year Jan 2014 – Dec 2014)			Forecast (Next Year Jan 2015 – Dec 2015)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Pamol Kluang Palm Oil Mill Capacity: 60mt/Hour	266,980	61,418	14,673	227,373	53,464	11,899	240,543	56,528	13,230

## Section 2 Assessment Process

Certification Body: PT BSI Group Indonesia, Menara Bidakara 2, 17<sup>th</sup> Floor, Unit 5, Jalan Jend. Gatot, Subroto Kav 71-73, Pancoran, 12870 Jakarta Selatan, Indonesia. Tel +62 8379 3174 Fax +62 8379 3287 Aryo Gustomo: [aryo.gustomo@bsigroup.com](mailto:aryo.gustomo@bsigroup.com) [www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is RSPO Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Jakarta, Indonesia and an office at Singapore, Kuala Lumpur, Bangkok and Australia which involve in RSPO Certification Program.

### Assessment Methodology, Programme, Site Visits

The recertification assessment was conducted from 6 - 9 January 2015. The audit programme is included as Appendix B. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities. A follow up visit was conducted on 30 March to verify the close out of major nonconformities. Details are in section 3.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO P&C 2013 was used as Checklists and questionnaires were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

Public Stakeholder Notification was made on 6 December 2014, 30 days prior to the recertification assessment. Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone and email to arrange meetings at a location convenient to them to discuss Pamol Kluang's environmental and social performance. No written comments were received at the end of 30 days period.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix D.

The minor nonconformities that were assigned during the ASA4 were followed up to ensure it remains closed. All the previous nonconformities remains closed. The details are in section 3.3.1. The assessment findings for the recertification (Major and Minor) are detailed in Section 3.3.

BSI received an email dated 8 December 2014 containing letter from the RSPO Technical Director dated 5 December 2014 titled "FINNWATCH REPORT – RSPO SECRETARIAT RECOMMENDATIONS" urging BSI, as the certification body responsible for ensuring continuous compliance of the Pamol Kluang certification unit to RSPO requirement, to be more vigilant during audits of such social elements. According to the letter "The report made accusation of unsustainable practices in RSPO certified IOI plantations, particularly in Pamol Kluang Estate, Johor; ...making excellence a habit."

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Bahau, Bukit Serampang and Regent estate in Negeri Sembilan. Pamol Kluang Mill and estates are certified by BSI". BSI continued pursuing with the company with the planning of the recertification assessment of the Pamol Kluang certification Unit on 6 – 9 January 2015 and conducted the verification assessment during the recertification assessment. It was noted that IOI had responded to the Finnwatch report by posting the action plans on the IOI website on 19 December 2014 as a positive move to address the issues identified in the Finnwatch report. However, there were very limited progress towards the implementation of the action plans was noted during the verification assessment because the verification assessment was carried out within two weeks after the action plan being posted on the IOI website. It was noted that the management at Pamol Kluang Certification Units aware of company’s action plans. IOI also published subsequent response on 29 April 2015 on the status of the implementation status of the improvement plans. The statement can be accessed at [www.ioigroup.com](http://www.ioigroup.com).

This report is structured to provide a summary of finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was reviewed by Mr. Mohamed Hidhir, the certification reviewer prior to certification decision by the operation director.

**The following table would be used to identify the locations to be audited each year in the 5 year cycle**

<b>1.Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Recertification)</b>	<b>Year 2 (ASA1-1)</b>	<b>Year 3 (ASA1-2)</b>	<b>Year 4 (ASA1-3)</b>	<b>Year 5 (ASA1-4)</b>
Pamol Kluang Palm Oil Mill	√	√	√	√	√
Pamol Timur Estate		√			√
Pamol Barat Estate	√			√	
Mamor Estate			√		
Unijaya Estate		√			√
Kahang Estate			√		
Swee Lam Estate	√			√	

**Tentative Date of Next Visit:** 11 January 2016

**Total No. of Mandays:** 10.5 man-days on-site

**BSI Assessment Team:**

**Senniah Appalasamy – Lead Assessor**

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO

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approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, RSPO P&C Social Auditing Workshop on 21 – 23 January 2014 in Yogyakarta, Indonesia, International Sustainable Carbon Certification (ISCC) Lead Auditor training, Sustainability Report Assurance (SRA) Assessor Training, ISO 14001 Lead Auditor Training Course and OHSAS 18001 Lead Auditor Training Course. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member.

#### **Muhammad Haris B. Abdullah – Team member**

He graduated from the Open University Malaysia with a Bachelor of Business Administration (Hons) Majored in Human Resource Development and completed his Master's Degree in Business Administration from the University Utara Malaysia in January 2014. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001 Lead Auditor Training, OHSAS 18001 Lead Auditor Training Course and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. Recently he has attended the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop on 17 – 19 September in Bangkok, Thailand. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, Social and community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

#### **Kelvin Lim Kok Wei – Team member**

Kelvin Lim Kok Wei is a fulltime employee with BSI Services Malaysia. He graduated from University Tunku Abdul Rahman, Malaysia. He attended internal RSPO training in May 2014. He has completed ISO 9001:2008 Quality Management System Lead Auditor training in February 2014 and MSPO training on 14 March 2014. Currently he is an ISO 9001:2008 and Medical Devise auditor with BSI. He has involved in RSPO audits since May 2014 and MSPO audits since May 2014 covering legal and social aspects.

**Accompanying Persons:** Not Applicable

## Section 3 Summary of Assessment Findings

### 3.1 Details of audit results are provided in the following Appendix:

- RSPO P&C 2013 Checklist: Appendix A
- IOI Corporation Berhad - Time Bound Plan: Appendix B
- RSPO Supply Chain Certification Checklist: Appendix F

### 3.2 Progress against Time Bound Plan

IOI Corporation Berhad owns and operates 14 Palm Oil Mills and 81 estates in Peninsular Malaysia and Sabah (additional mill and estates from new acquisition). The FFB from three IOI Estates Sugut (Sabah), Sejap and Tegai

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Estates (Sarawak) are processed at Mills owned by other companies who have not yet set a target date for RSPO Certification of their mills. IOI Corporation Berhad has implemented program to achieve RSPO Certified Sustainable Palm Oil for all of its 12 Oil Mills. Similar to last assessment, 2016 has been set as target time bound plan to certify newly acquired Unico Desa.

An update on the on-going mediation process between IOI-Pelita and Long Teran Kanan (LTK) was explained by the Head of Sustainability Department. The Complaint Panel has agreed to lift the suspensions of new certifications by IOI with the exception of IOI-Pelita Plantation (Sarawak), which will not be certifiable until this dispute is being resolved. For more information about the dispute and historical updates can be found on following website: [http://www.rspo.org/en/status\\_of\\_complaint&cpid=4](http://www.rspo.org/en/status_of_complaint&cpid=4).

Review of the Time Bound Plan and compliance to partial certification requirements were assessed. Document review and interview with the Sustainability Department Head and his assistants were conducted. As per the RSPO requirement for new acquisition under rules for partial certification, IOI is committed to certify these two palm oil mills by end of 2016 for the Unico Desa complex. There is no other alteration to the Time Bound Plan. The Time Bound Plan to certify the plantations in Indonesia remains as 2016 which is considered as challenging because there is no palm oil mill (Certification unit) at the moment. BSI considers IOI's Time Bound Plan to conform to the RSPO requirements for Partial Certification subject to the condition and resolution of the IOI-Pelita issue.

IOI has conducted due diligence on the present plantation operations and provided positive statement that there is no known labour dispute that are not being resolved through an agreed process, legal non compliances, land disputes (other than the LTK disputes) and replacement of primary forest or any area containing HCVs since November 2005. BSI has reviewed IOI's Time Bound Plan and considers the programme to be challenging to implement as it will require a uniform, across the geographic spread of its operations in Peninsular Malaysia, Sabah and Indonesia. The progress of the Time bound Plan is as per in Appendix B.

### 3.3 Details of findings

The nonconformity is listed below. The summary of the findings by criteria is listed in Appendix A.

During the recertification assessment there were 3 major nonconformities and a minor nonconformity was raised. Pamol Kluang Palm Oil Mill and Supply Base Estates submitted Corrective Action Plans for the nonconformities. However the initial submission was rejected because it did not contain cause, correction, corrective action plan with timeline and responsibility. Pamol Kluang re-submitted the CAP on 26 March 2015. It was reviewed and accepted by the BSI audit team. The evidence of implementation for the major nonconformities was verified through on-site visit on 31 March 2015. The major nonconformities were closed on 2 April 2015. The implementation and effectiveness of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. Following are the details of the nonconformities:

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1143838M1	<b>Requirements:</b> 2.1.1 Evidence of compliance with relevant legal requirements shall be available.	Major
	<b>Evidence of Nonconformity:</b> During the document audit, review of the salary slip of foreign workers has found that the salary does not meet the minimum wage of RM900. This was highlighted by workers as well during the workers interview.	



	<p>Pamol Barat Estate: Average daily wage for those involve in piece rate work below the RM 34.62 (Sample of Pamol Barat Estate Employees: Employee number PBE2076, PBE2077, PBE2073 and PBE 2074 etc.). The Minimum Wages Order 2012 require " MINIMUM WAGES FOR EMPLOYEES WHO ARE PAID WAGES BY PIECE-RATED, TONNAGE, TRIP OR COMMISSION: If the wages paid is less than RM900 in Peninsular Malaysia or RM800 in Sabah, Sarawak and the Federal Territory of Labuan, the employer must top-up the additional wages to meet the minimum wages of RM900 or RM800". This was not implemented in Pamol Barat Estate.</p> <p><b>Statement of Nonconformity:</b>  The foreign worker monthly salary was not meeting the Minimum Wage Order 2012.</p> <p><b>Close out implementation:</b>  Pamol Kluang re-submitted the CAP on 26 March 2015. It was reviewed and accepted by the BSI audit team. The evidence of implementation for the major nonconformities was verified through on-site visit on 31 March 2015.</p> <p>1. Verified the payback by management of PAMOL Barat Estate has been done on 30/03/2015 for the workers (Employee No. PBE 2073, PBE 2076, PBE 2077) as per corrective action plan except 1 of the worker (Employee No. PBE2074) has not been payback as he was absconded on the 11/03/2015.</p> <p>Total amount payback for workers as below:  PBE2073 (Md Raju)- RM 140.55 (top up for November 2014 salary).  PBE2076 (Molla Md. Faruk)- RM 93.11 (Top up for November and December 2014 salaries).  PBE2077 (Mia Md. Liton)- RM190.25 (Top up for November and December 2014 salaries).</p> <p>Further verified the salary slips on January and February 2015 for the 4 workers confirmed the worker's salary met the minimum wages. This has been further verified by interviewed the remaining 3 workers that payback has been done with their daily wages of minimum RM 34.62 has been met.</p> <p>2. Training for the management team to ensure the monitoring productivity linked wages system to ensure the all non- performing employees has been conducted on 12/3/2015 by Plantation Controller to ensure the under- earned employees has been recorded.</p> <p>3. Briefing to the workers on piece rate system as well as Productivity Linked Wage system has been conducted by the estate manager on 12/3/2015 during the muster call to encourage all workers to earn more than the minimum wages. The major nonconformities were closed on 2/4/2015.</p> <p>The continuous implementation of the corrective and preventive action will be further followed up during the next visit.</p>	
1143838M2	<p><b>Requirements:</b>  2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p><b>Evidence of Nonconformity:</b>  Swee Lam Estate: There was oil palm planted land purchased by the company. The Actual land usage for the land as per land title (eg. GM603, GM622, GM608, GM614, GM620) is rubber plantation but the land was used for palm oil plantation.</p> <p><b>Statement of Nonconformity:</b>  Swee Lam Estate: The actual usage of the land was not in according to the usage term stipulated in the land title.</p> <p><b>Close out implementation:</b></p>	Major

	<p>Further verification on the issue revealed that the aforementioned lands have been converted from plantation to property development. Application for the conversion was made in 1 November 2013 to the District land department, Kulaijaya. Reply from the land department received on 18 December 2013. The approval from Johor State Land Office was granted in 18 May 2014. The land is now under the property division's management. The relevant documents were checked and verified found to be handed to property development as per approval from the land department. The major nonconformity was closed on 12/2/2015.</p>	
<p>1143838M3</p>	<p><b>Requirements:</b>          6.5.1 Documentation of pay and conditions shall be available.</p> <p><b>Evidence of Nonconformity:</b>          Pamol Barat Estate:          1. Documented pay for piece rate work show below the minimum wage as stipulated in the minimum wage order. The average wage per day did not meet the minimum wage of RM 34.62.          The average wage per day did not meet the minimum wage of RM 34.62.          Sample of Pamol Barat Estate Employees:          Employee number PBE2076 = Average for 24 days is RM32.52/day,          Employee number PBE2077 = Average for 23 days is 29.73          Employee number PBE2073 = Average for 24 days is 30.21          Employee number PBE 2074 = Average for 24 days is 28.03</p> <p>Average daily wage for those involve in piece rate work below the RM 34.62 (Sample of Pamol Barat Estate Employees: Employee number PBE2076, PBE2077, PBE2073 and PBE 2074 etc.). The Minimum Wages Order 2012 require " MINIMUM WAGES FOR EMPLOYEES WHO ARE PAID WAGES BY PIECE-RATED, TONNAGE, TRIP OR COMMISSION: If the wages paid is less than RM900 in Peninsular Malaysia or RM800 in Sabah, Sarawak and the Federal Territory of Labuan, the employer must top-up the additional wages to meet the minimum wages of RM900 or RM800". This was not implemented in Pamol Barat Estate. It was implemented in the other sampled estate - Swee Lum Estate for piece rate work.</p> <p><b>Statement of Nonconformity:</b>          The documented detail of pay is not in accordance with the minimum wage.</p> <p><b>Close out implementation:</b>          1. Verified the payback by management of PAMOL Barat Estate has been done on 30/03/2015 for the workers (Employee No. PBE 2073, PBE 2076, PBE 2077) as per corrective action plan but 1 of the worker (Employee No. PBE2074) has not been payback as he was absconded on the 11/03/2015.          Total amount payback for workers as below:          PBE2073 (Md Raju)- RM 140.55 (top up for November 2014 salary)          PBE2076 (Molla Md. Faruk)- RM 93.11 (Top up for November and December 2014 salaries)          PBE2077 (Mia Md. Liton)- RM190.25 (Top up for November and December 2014 salaries)          Further verify the salary slips on January and February 2015 for the 4 workers confirmed the worker's salary meet the minimum wages. This has been further verified by interviewed the remaining 3 workers that payback has been done with their daily wages of RM 34.62 has been met.          2. Training for the the management team to ensure the monitoring productivity linked wages system to ensure the all non- performing employees has been conducted on 12/3/2015 by Plantation Controller to ensure the under- earned employees has been recorded.</p>	<p>Major</p>

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	3. Briefing to the workers on piece rate system as well as Productivity Linked Wage system has been conducted by the estate manager on 12/3/2015 during the muster call to encourage all workers to earn more than the minimum wages. The major nonconformities were closed on 2/4/2015. The continuous implementation of the corrective and preventive action will be further followed up during the next visit.	
1143838N1	<p><b>Requirements:</b> 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p><b>Evidence of Nonconformity:</b> The washing area of tractor does not implement a prevention measure to control the waste water that contain traces of oil and grease from flowing into the drain.</p> <p><b>Statement of Nonconformity:</b> There was no proper prevention plan for the waste water from cleaning of tractor that contains traces of oil grease that flow into the drain.</p> <p><b>Corrective Action:</b> Estate management to construct an oil trap to minimize oil-polluted water from entering the waterways. Store operator has been assign to monitor the condition of the oil trap. Physical evidence of the constructed oil trap could be verified during the next audit.</p> <p><b>Status:</b> The implementation will be followed up during the next surveillance assessment.</p>	Minor

Observation	
OBS #	Description
NIL	-

Positive Findings	
PF #	Description
1	Safety signs are continuously maintained well and clearly marked with walkways. OSH aspects are well implemented.
2	Continue to use GeoTube system for continuous POME de-sludge and potentially serving as methane avoidance system.

Issues raised by Stakeholders
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted to arrange meetings at a location convenient to them to discuss Pamol Kluang Certification Unit's environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each</p>

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of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews.

There was a stakeholder consultation held with legal expert from MAPA on 20 March 2015 to verify and get confirmation on the issues related to minimum wage implementation for piece rated work and probation period implementation.

A list of Stakeholders contacted is included as Appendix E.

IS #	Description
1	<p><b>Issues:</b>  District Workers Union Secretary: No pending disputes or any wage issues among local employees. Company follow the NUPW/MAPA agreement and minimum wage requirement for all local workers. He highlighted that foreign workers are not joining union.</p> <p><b>Management Responses:</b>  Management always encourage union representative and workers to meet them to resolve any issue immediately and open for discussion.</p> <p><b>Audit Team Findings:</b>  No disputes were raised by local workers interviewed which indicate that the freedom to join union and procedure to voice out grievances is implanted. Interview with foreign workers reveal that they are not joining union due to the membership fee payment of RM11 per month. They have their own representatives in the workers representative meeting.</p>
2	<p><b>Issues:</b>  Temple Representative: No issues to highlight. The operating units continue to assist wherever possible.</p> <p><b>Management Responses:</b>  Management assist wherever possible.</p> <p><b>Audit Team Findings:</b>  No other issues. Visit to the temple reveal that it is well maintained.</p>
3	<p><b>Issues:</b>  Foreign workers and their representative: Foreign workers who are doing piece-rated work at Pamol Barat highlighted that they are not getting the minimum wage. The foreign workers at the mill highlighted that they are paid RM 25/day. Workers said that housing provided is in good condition. They confirmed that passport is handed over to the company to process the work permit and for other administrative arrangement which involve embassy, FOMEMA medical screening and immigration. The workers are aware and allowed the management to keep the passports in the office to ensure safety of the document.</p> <p><b>Management Responses:</b>  The management treat all employees equally and no discrimination. Investigation will be done on the claim of the pay related to the piece-rated work. Management also showed memorandum from IOI Human Resource Manager dated on 19/9/2014 indicating there is no more 6 month probation effective 1/9/2014 for the estates and the workers shall be paid RM34.62. The management have 6 month probation for mill workers which allowed in the Minimum Wage Order. On completion of the probation, the pay is adjusted to RM34.62/day for daily paid mill workers. Management is also issued letter of undertaking to have minimum pay for all employees including mill employees even during the probation period which allowed in the Minimum Wage Order.</p> <p><b>Audit Team Findings:</b>  Based on the feedback from the workers and document review revealed that at-least four workers at Pamol Barat were paid lower than the minimum wage for piece-rated work (refer to nonconformity # 1143838M1 and 1143838M3). The newly recruited workers at the mill highlighted that they paid RM25/day for 6 months. Consultation with local legal expert confirms that the employees can practice the probation which included in the Minimum Wage Order implementation guideline. Document review at the mill reveals that the new workers undergoing probation period. Visit to the facilities and interview with</p>

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	workers reveal that all workers including foreign workers have access to all facilities similar to local workers. Housing visited at Mill, Pamol Timur Estate, Pamol Barat Estate and Swee Lam Estates was in good condition at the time of the visit.
4	<b>Issues:</b> Contractors: Contractors confirm payment is prompt as per agreed contract.
	<b>Management Responses:</b> Payment is made as per the agreed terms.
	<b>Audit Team Findings:</b> No other issues.
5	<b>Issues:</b> School teacher: It was re-confirmed that the operating units always support school activities. The relationship is good. No other issues.
	<b>Management Responses:</b> Management assist wherever possible.
	<b>Audit Team Findings:</b> No other issues.
6	<b>Issues:</b> GreenPalm: No issue of overselling. The trading of certified physical sales and GreenPalm certificate is monitored and reconciled by UTZ and GreenPalm.
	<b>Management Responses:</b> Marketing department monitor and ensure no overselling.
	<b>Audit Team Findings:</b> Production data and sales records were verified. No other issues.
7	<b>Issues:</b> Social NGO: Hoped that close attention is given to the process of hiring and recruitment of workers, the employment arrangements (are the workers outsourced or directly-hired and managed?) and the employment conditions (whether they meet the minimum requirements of Malaysian labour law).
	<b>Management Responses:</b> Copy of the process of recruitment and the documentation is kept at the operating units.
	<b>Audit Team Findings:</b> During the document review it was noted that contract of employment for New Foreign Employees recruited in 2014 at the mill indicate they have to work probation period of 6 months indicating that probation period is not applicable to foreign employees. The probation is in accordance with minimum wage implementation guideline.
8	<b>Issues:</b> Police officer: The officer confirmed that the management has maintained good relationship and cooperation in regards to security of the surrounding. He also highlighted that there were no any major security issues within the estate community.
	<b>Management Responses:</b> Management will continuously communicate and cooperate with the Police Department wherever possible.
	<b>Audit Team Findings:</b> Positive remarks.
9	<b>Issues:</b> Village Representative: The management has done lot of contributions to the local community. He also highlighted that the management has gave access to the local community to use the estate road to go to the nearest town. Employment opportunity is given to nearby natives who are employed as security personnel.
	<b>Management Responses:</b> Management always gives employment priority to locals but sometime difficult to get local to join

	plantation.
	<p><b>Audit Team Findings:</b> Positive remarks from the village representative. No any boundary disputes or complaints highlighted.</p>
10	<p><b>Issues:</b> Shop owner: The management has always provided assistance whenever necessary and maintains good relationship. The management also monitors the pricing at the shop. Awareness given on zero burning of waste and recycling.</p> <p><b>Management Responses:</b> Management ensure that all those within the estate aware of company policies.</p> <p><b>Audit Team Findings:</b> No issues or complaints to verify.</p>
11	<p><b>Issues:</b> Legal Expert from MAPA: Issues related to Minimum Wage Order was verified for "probation Period" implementation and Piece Rated work wage payment was explained in detail.</p> <p><b>Management Responses:</b> Management will ensure compliance to the minimum wage requirement. As a corrective action plan to address the underpaid employees, Pamol Barat Estate has paid back the underpaid amount to the affected employees. Directives for the both estates &amp; palm oil mill workers that there will not be any reduction in probation pay as allowed for in the Order but the period of probation for palm oil mill workers are still valid on the basis of training needs, have been implemented.</p> <p><b>Audit Team Findings:</b> During the stakeholder consultation with local legal expert from MAPA (unnamed – anonymity requested by the local legal expert) on 20 March 2015, he confirmed that the employers can implement the probation period for 6 months because the "ANNOUNCEMENT" is not gazetted. Due to this during the probation period the employees (Local and foreign) are paid RM25/day for the first six months of their joining to work in accordance with the "Section 4 Reduction of Minimum Wage Rate – Employees in Probation Period sub-section (i) Reduction of the payment of the minimum wages rate not exceeding 30% for a probationer is based on the contract of service of the employee" as per the "Guideline on the Implementation of The Minimum Wages Order 2012". Further verification with independent legal experts confirmed that employer can implement the probation period for employees until the time the "ANNOUNCEMENT" is gazetted as a law. It was also confirmed by the independent legal expert consulted on 20 March 2015 that minimum wage cannot be reduced through issuing of warning letters.</p>

### 3.3.1 Status of Nonconformities Previously Identified and Observations

Previous nonconformities were followed up for the effective implementation of the corrective action plans. It was noted that corrective action plans are implemented and the previous nonconformities are remain closed.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1012105N5	<p><b>Requirements:</b> 6.2.3: Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders.</p> <p><b>Evidence of Nonconformity:</b> The stakeholder list is incomplete. The external stakeholder list in Kahang Estate does not include other affected or interested parties such estate's contractors &amp; supplier.</p> <p><b>Statement of Nonconformity:</b> Stakeholder list not maintained.</p>	Minor



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	<p><b>Action Taken:</b>  A standard format for stakeholder name list includes all the relevant multi-stakeholders immediately developed and distributed to all operating units by the sustainability team from the Research Centre. All the estates and mill management completed the list and was checked and verified during the recertification. The nonconformity is remains closed on 6/1/2015.</p>	
	<p><b>Status:</b>  Closed</p>	
1012105N6	<p><b>Requirements:</b>  6.5.2: Labour laws, union agreements or direct contract 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.</p>	Minor
	<p><b>Evidence of Nonconformity:</b>  At Kahang Estate, Worker's consent letters for monthly deduction for buffalo belongs to the workers (buffalo loan and buffalo insurance) are not available although the repayment is deducted. Further inspection against worker's payslip sighted deduction been carried out in the month of November and December 2013.</p>	
	<p><b>Statement of Nonconformity:</b>  No consent from workers for buffalo loan deduction.</p>	
	<p><b>Action Taken:</b>  The agreement for buffalo loan &amp; insurance deduction was re-distributed to buffalo owners and explained to the respective workers on 28/2/2014. Signature from the respective workers was obtained as to acknowledge their understanding and fully agree with the condition stated in the agreement for the loan deduction made. Management issue a letter to inform the Labour department regarding the deduction and apply for approval from the labour department. The letter was acknowledged by labour department. The nonconformity remains closed during the recertification on 6/1/2015.</p>	
	<p><b>Status:</b>  Closed</p>	

Observation	
OBS #	Description
1	<p>Indicator 4.6.4: At Kahang estate, all the MSDS are available and it was explained to those concerns. However, some are in English which the store keeper finding difficult to read.</p> <p>Status at Recertification: During the recertification, it was noted that MSDS provided in local languages (Bahasa Malaysia). Interview with the store keeper reveal that MSDS is understood.</p>
2	<p>Indicator 5.2.1: At Mamor estate, The "Bukit Batu" covering an area of 35ha is identified as HCV through the HCV assessment. Signboard is available at the site to conserve the area. The area is protected by the management. Monitoring is conducted. There is a lapse in updating the monitoring record.</p> <p>Status at Recertification: Monitoring records book especially for the HCV (Bukit Batu) area initiated and updated by Assistant Manager in-charge and AP patrolling team at Mamor estate. Latest record dated in December 2014.</p>

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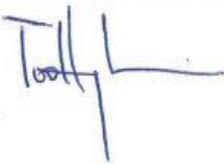

3	Indicator 6.5.2: At Mamor estate, Contract of employment is available and was explained carefully to workers by plantation management official in the operating unit. A typo error was noted in the contract of Bangladesh worker. It was written as Nepalese.
	Status at Recertification: Revised contract agreement available and similar to all operating units.
4	Indicator 6.5.3: Pamol Kluang Palm Oil Mill and Pamol Timur Estate, company clinic has provided medical facility to the workers. Medical treatment is provided free. The workers interview reveals that there were some miscommunications between HA and workers regarding Clinic visiting hours and medicine dispenses. This was clarified by the Estate Manager during discussion.
	Status at Recertification: Clinic opening hours communicated to workers by the estate management. Hospital Assistant follows the instruction from management. Opening hours display in front of the clinic where visibly seen by workers. No any new issues were highlighted during the recertification assessment.
5	Indicator 6.6.1: At kahang estate, Employee Consultative Committee (ECC) Meeting was conducted with workers representative and meeting minutes are available. However, there is a lapse in updating the latest ECC meeting record.
	Status at Recertification: Updated ECC meeting records were available and Management conduct the meeting 6 monthly basis.

**3.3.2 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
CR01	Major	20/3/2009	Closed on 16/11/2009
CR02	Major	20/3/2009	Closed on 16/11/2009
CR03	Minor	20/3/2009	Closed on 16/11/2009
CR04	Minor	20/3/2009	Closed on 16/11/2009
A542057/1	Minor	8/3/2011	Closed on 2/3/2012
A694301/1	Minor	29/2/2012	Closed on 17/1/2013
A694301/2	Minor	29/2/2012	Closed on 17/1/2013
A834990/1	Minor	17/1/2013	Closed on 11/1/2014
A834990/2	Minor	17/1/2013	Closed on 11/1/2014
A834990/3	Minor	17/1/2013	Closed on 11/1/2014
A834990/4	Minor	17/1/2013	Closed on 11/1/2014
1012105N5	Minor	11/1/2014	Closed on 6/1/2015
1012105N6	Minor	11/1/2014	Closed on 6/1/2015
1143838M1	Major	9/1/2015	Closed on 2/4/2015
1143838M2	Major	9/1/2015	Closed on 2/4/2015
1143838M3	Major	9/1/2015	Closed on 2/4/2015
1143838N1	Minor	9/1/2015	"Open"



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<p><b>Assessment Conclusion and Recommendation:</b>          Based on the findings during the recertification assessment and close out of the major nonconformities, Pamol Kluang Certification Unit and supply base complies with the RSPO P&amp;C 2013, Malaysian National Interpretation (MY-NI 2010) and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Pamol Kluang Certification Unit is approved and continued.</p>	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Mr. Too Heng Liew	<b>Name:</b> A. Senniah
<b>Company name:</b> IOI Corporation Berhad	<b>Company name:</b> BSI Services Malaysia Sdn. Bhd.
<b>Title:</b> Head of Sustainability	<b>Title:</b> Lead Auditor
<p><b>Signature:</b> </p> <p><b>Date:</b> 12 May 2015</p>	<p><b>Signature:</b> </p> <p><b>Date:</b> 11 May 2015</p>

**Appendix A: Summary Report of the Assessment**

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Labour Department were attended and no noncompliance or complaints were noted. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. Publicly available documents such as land title, OSH plan, HGV documents, negotiation procedure, complaint records, RSPO public summary reports, EIA, Management Plans & Continuous Improvement Plans and company policies are available.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. For example, school has requested donation for school activity on 5/11/14 and replied by the management on the same day. Similarly other request for information are attended promptly and confirmed by stakeholders interviewed.	Complied
<b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	Publicly available documents shall include, but are not necessary limited to: <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> - Major compliance -	Publicly available management documents covers Land titles, OHS plans, EIA, SIA, HCV documentation, Pollution prevention and reduction plans, records of complaints and grievances, negotiation procedures, RSPO Public Summary Report, company policies and Continual improvement plans. All operating units have individual documents and records to demonstrate compliance to this indicator. IOI Group documents are also accessible through website link: <a href="http://www.ioigroup.com">http://www.ioigroup.com</a> IOI Corporation Berhad have uploaded the status of the on-going land dispute at the plantation in Sarawak which is publicly available at website link: <a href="http://www.ioigroup.com">http://www.ioigroup.com</a> RSPO Public summary reports are publicly available at each operating unit and head office on request.	Complied
<b>Criteria 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.			

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Criterion / Indicator		Assessment Findings	Compliance
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance	Policy committing to Code of Business Conduct and Ethics as stated in the IOI Corporation Berhad's 2014 Annual Report is communicated to all level of employees upon their employment.	Complied
<b>Principle 2: Compliance with applicable laws and regulations</b>			
<b>Criterion 2.1:</b>			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	Evidence of compliance with relevant legal requirements shall be available. - Major compliance -	Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team. Compliance found such as Audiometric test was conducted on 28/11/2014 for 92 workers at Specialist Mobile Audiometry Services Sd. Bhd., confined space entry person registration Serial No.: NW-HQ-AE-1302-L valid till 15/4/2015, DOE has visited the mill on 13/10/14 did not found any noncompliance. Similarly, DOSH have not highlighted any noncompliance during the visit on 22/12/14 (Swee Lam) and 22/5/2014 (Pamol Barat). Permits and licenses required for the operations are valid and current.  However, noncompliance was found against the implementation of the minimum wage for the piece-rated work at Pamol Barat Estate. During the document audit, review of the salary slip of foreign workers has found that the salary does not meet the minimum wage of RM900. Pamol Barat Estate: Average daily wage for those involve in piece rate work below the RM 34.62 (Sample of Pamol Barat Estate Employees: Employee number PBE2076, PBE2077, PBE2073 and PBE 2074 etc.). Major noncompliance was raised. See Section 3.3 above.	Noncompliance Indicator 2.1.1
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements.	Complied
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, sustainability team, OHS Manager and head office.	Complied
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information, MPOA and the information are communicated from the IOI Group Head Office. On the site verification, Interviews with office personnel and records indicate that the system is appropriate to the operations.	Complied
<b>Criterion 2.2:</b>			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			

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Criterion / Indicator		Assessment Findings	Compliance
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Land ownership such as land title and land lease documents is available. There is no change in the land ownership. All the land belongs to IOI. However, it was noted that some of the land is being converted to properties and the relevant documents from land department was not cited during the audit. Swee Lam Estate: There was oil palm planted land purchased by the company. The Actual land usage for the land as per land title (eg. GM603, GM622, GM608, GM614, GM620 and etc.) is rubber plantation but the land was used for palm oil plantation. Major Nonconformity was raised. See Section 3.3 above.	Noncompliance Indicator 2.2.1
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Pamol Timur Estate and sharing the estate boundary.	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the Pamol Kluang certification unit at the time of audit. The land belongs to IOI and land ownership documents verified.	Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute/conflict in the Pamol Kluang certification unit at the time of audit. The land belongs to IOI and land ownership documents verified.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute/conflict in the Pamol Kluang certification unit at the time of audit. The land belongs to IOI and land ownership documents verified.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute/conflict in the Pamol Kluang certification unit at the time of audit. The land belongs to IOI and land ownership documents verified.	Complied
<b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	The estate lands are legally owned and leased by IOI. The existing estates are not encumbered by any customary land rights Interview with the natives staying nearby Pamol Barat Estate reveal that the boundaries between native and plantation are very clear and transparent. No disputes highlighted.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	The lands were acquired from private plantation companies and owners. Land title and ownership documents available to show land acquisition complied with legal requirements.	Complied
2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	The lands were acquired from private plantation companies and owners. Land title and ownership documents available to show land acquisition complied with legal requirements.	Complied
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	The lands were acquired from private plantation companies and owners. Land title and ownership documents available to show land acquisition complied with legal requirements.	Complied
<b>Principle 3: Commitment to long-term economic and financial viability</b>		
<b>Criterion 3.1:</b> There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Annual budget and management plan documented and with three years projection includes FFB production, CPO, OER, and KER, costs of production, CAPEX and OPEX. There is no scheme smallholder within the supply base.	Complied
3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	Estates have replanting programme which included in the budget as well and extended until financial year 2018/19. The replanting programme includes the schedule and hectares for each field. Review of the replanting program is conducted prior to approving the annual budget. Last review was on 7 July 2014. At Pamol Barat the replanting was revised from 273ha to 114ha due to short of clonal seedlings. The remaining area to be replanted in 2 <sup>nd</sup> half of 2015. Replanting was on-going at Pamol Barat at the time of audit.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>Principle 4: Use of appropriate best practices by growers and millers</b>			
<b>Criterion 4.1:</b>			
Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	All operating units have implemented management systems for monitoring and control of best practice implementation through various SOPs for mill and estates. IOI has prepared Group Palm Oil Mill Standard Operating Procedures (SOPs) issued on April 2008 (mill) and December 2008 (estates). Another review was done on November 2014 for the Geo-tube SOP to include this SOP at the palm oil mill.	Complied
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	Consistent implementation of SOPs is checked through GM visit at estate on quarterly basis to review estate performance against IOI standard with the last visit was in the months of December 2014. Record of the visit and reports are held on file "Group Plantation Director (GPD) & General Manager (GM) Visit Report". The Estate also maintained regulatory compliance visit records such as DOSH Visit Record on "Jabatan Keselamatan dan Kesihatan Pekerjaan, Johor (Department of Occupational Health and Safety).	Complied
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	Records of monitoring and the actions taken are maintained at the mill and estates. Records verified includes Mill Advisor visited the mill regularly. Last visit was on 18/9/2014. Comments given by the Mill Adviser and response from the mill manager have been recorded. As for the estates, General Manager visits the estates on monthly basis for monitoring. Pamol Barat estate: Last visit was on 26/11/2014.	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	No FFB sourced from third-party. The FFB is from own company estates.	Not applicable
<b>Criterion 4.2:</b>			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices from the SOP are followed to manage soil fertility to ensure optimal and sustained yield through annual fertilizer application program. Beside inorganic fertilizer, organic fertilizer in the form of POME and EFB is applied as per recommendation from IOI Research Centre. Swee Lam estate: Agronomist visited the estate on 3/11/2014 and give recommendations. Pamol Barat was visited by the agronomist on 3/10/2014.	Complied
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Manuring records are maintained in the daily costing books and summarised at the end of the month. The monthly report is sent to Regional General Manager for review as part of monitoring exercise. Manuring records verified reveal that application follows recommendation. Example of record shows at Pamol Barat Estate MOP was applied on 20/2/2014 at rate of 1.75kg/palm covering 39ha at filed 88M.	Complied



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Criterion / Indicator		Assessment Findings	Compliance
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Leaf sampling carried out annually to determine the changes in the nutrient level in the palm by analysing the leaf tissue. soil analysis carried out on 5 years cycle to determine the nutrient levels in the soil. The analysis result is used for the fertilizer recommendations to ensure long term soil fertility and nutrient efficiency.	Complied
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	Pamol Kluang Palm Oil Mill continues to utilise the Geotube to filter the solid from the POME and the solid later used by the estates as organic fertilizer. EFB application carried out along the inter-row at mature area at rate of 35-40mt/ha. Immature palms are mulched with EFB surrounding the palm circle to suppress noxious weeds. POME land application is carried out at Pamol Timur Estate was visited and verified. At Pamol Barat Estate, palm residues from the replanting are recycled back to the land as part of nutrient recycling strategy. For example, Pamol Barat estate has applied EFB at field PM88 and PM89 in October and November 2014. Dried POME is also being applied at the field as recommended by the agronomist.	Complied
<b>Criterion 4.3:</b> Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	There was no fragile soil on the estates visited. Soil map and field visit further reveal that there is no fragile soil.	Complied
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Planting on terraces is carried out on slopes below 15° as part of management strategy for slope planting.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Road maintenance programme available at all the estates covers road grading, patching, surfacing, culvert and bridge maintenance. Road maintenance programme for 2015 is available. Sample records shows road grading work has been completed at field No. PM87C and PM88P at Pamol Barat and Swee Lam Estates.	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	No peat soil. Estates and mill have water management program for the purpose of water conservation. Estates have ground cover management to ensure ground cover is maintained with soft grass. Immature area planted with cover crop.	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	No peat soil.	Not applicable
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	No fragile and problematic soil in the estates.	Not applicable
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.			

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4.4.1	An implemented water management plan shall be in place. - Minor compliance -	Sustainability department has developed the water management plan for the whole Pamol Kluang complex. The plan has been reviewed on December 2014. Water management plan includes river water monitoring. Research Centre carried out water analysis in the river (upstream, midstream, and downstream) with the last sampling was on 15 December 2014. The results shown all parameters are complied.	Complied
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	Riparian buffer zone maintained at both sides of Streams running through the estate. At Pamol Barat and Swee Lam estates the buffer zones are restored during the recent replanting activities.	Complied
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	Effluent analysis done on 15/12/2014. Report No.: EF/0142/07/14 for final discharge. The result from Nalco Industrial Services Malaysia Sdn. Bhd shows the BOD was 105ppm which is below than the permitted limit of 5000ppm by DOE.	Complied
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Mill has maintained monitoring of water usage for processing FFB which recorded every month. Water for processing is abstracted from Sungai Sembrong by using pump. 0.98Mt water/FFB Mt was used in 2014 which is below than the targeted value of 1.2 – 1.5Mt/FFB Mt.	Complied
<b>Criterion 4.5:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	Beneficial plants are continuously being planted at the ratio of 1dm per ha. Planting of beneficial plants such as <i>Turnera subulata</i> , <i>Cassia cobanensis</i> , and <i>Antigonon leptopus</i> , are a continuous practice in the estates visited. Areas planted were verified during the field visit. Barn owl is monitored through census (form ER 9.4b) to evaluate the occupancy rate. Average occupancy rate for the month of November 2014 was 90% at Pamol Barat estate. Owl is used as a biological control to reduce rat population in the estate.	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training includes workers involved in rat baiting, barn owl census and those involve in the operation of nursery at Pamol Barat Estate. Training mostly from the R&D personnel and executives with plantation working experience. Last training on barn owl census was conducted on 17 December 2014 by Assistant Manager.	Complied
<b>Criterion 4.6:</b> Pesticides are used in ways that do not endanger health or the environment			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification of all pesticides used is in the SOPs and covers all agrochemicals use. The justification is appropriate for the operations in the estates.	Complied



Criterion / Indicator		Assessment Findings	Compliance
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides includes active ingredients used, LD50, area treated, amount of active ingredients applied per hectare and number of rounds applied maintained by estates. Records are updated and comply with the requirement.	Complied
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	All the estate's policy is to minimize the use of pesticides in accordance with IPM. No prophylactic use of pesticides noted during the field visit and records verification.	Complied
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	All estates eliminated the use of Paraquat. Alternatives agrochemicals such as Metsulfuron Methyl and Glyphosate Isopropylamine used to control weeds. During this audit there were no class 1a and 1b agrochemical usage cited.	Complied
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators go through safe handling training and application of the pesticides. Inspections of the Mills and the Estates visited indicated that safe work practices were being implemented. The safety signage was installed at work stations and chemical store at the mill and estate. Workers are provided with appropriate safety equipment and protective equipments. Product MSDS are available and explained to applicators. Interview with workers reveal that they are aware of the agrochemical negative impacts and aware of precaution methods.	Complied
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	It was noted that chemical Stores in accordance with local regulation. Chemical storage area were visited during the site visit. Pesticide containers generated from the nursery site at Pamol Barat are triple rinsed and pierced to prevent misuse. There are times these empty containers used for storage of pre-mix agrochemical before transported to the application site. The remaining Used chemical containers were disposed of by DOE approved empty container collectors.	Complied
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	Pesticides had been applied through justifiable census using agriculture best practices that minimize risk and impacts.	Complied
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial pesticide spraying.	Complied

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4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	Regular training and briefing on pesticide handling carried out includes provision of appropriate information materials, safety and health information and environment. Information on pesticides are displayed next to the pesticides in the store and at notice board.	Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Interview with management team and employees reveal that proper disposal of waste material is understood. There is no any issue of burning of waste materials. Waste recycling awareness in carried out by the operating units.	Complied
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	Annual medical surveillance carried out for all pesticide operators and those identified in CHRA. CHRA was conducted on 12-20 March 2014 by Synergy Training & Consultant (M) Sdn. Bhd. by DOSH registered assessor (JKKP HIE 127/171-2(316)).	Complied
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Field inspections, records and interviews with internal and external reveal that no pregnant or breast-feeding woman had been offered work as pesticide operator. Pesticide operators are male.	Complied
<b>Criterion 4.7:</b> An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			
4.7.1	A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -	All the operating units has maintained an approved Health and Safety Policy dated since 18 May 2007 that is displayed prominently on notice boards in English and Bahasa Malaysia and approved by the IOI top management. The health and safety plan monitored by the Safety & Health (SH) Manager from the head office. The safety and health plan cover all the relevant activities in the mill and estate. The activities are recorded and implemented and monitored by the SH Manager.	Complied
4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -	Reviewed and updated of the health and safety risk assessments is carried out annually through HIRARC assessment assisted by the SH Manager. Latest review was conducted review on 2 December 2014.	Complied
4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Minor compliance -	Safe working awareness training had been carried out and covers all work groups and contractors. Interview with employees and contractors reveal that all those involved had been adequately trained in safe working practices. Appropriate personal protective equipment (PPE) provided to cover all potentially hazardous operations such as pesticide application, machine operations, land preparation for replanting, harvesting, transport etc.	Complied

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4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -	The responsible person for the safety and health issues is the Manager and Assistant Manager. The management of the mill and estates conduct quarterly OSH committee meeting was held on 13 December 2014 attended by 17 participants. During the OSH meeting health, safety and welfare issues discussed and worksite inspection was carried out.	Complied
4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -	Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors. ERP is communicated with the employees and field/mill supervisors. Interview with the employees and supervisors reveal that they understand the emergency procedures. ERP training such as fire fighting training is conducted to test the emergency preparedness. Workers trained in First Aiders were present in the mill and field operations and contact details are posted on the notice boards. First Aid Kits were available at worksites.	Complied
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	All workers have access to free medical care at the estate clinic. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme. MSIG Insurance (M) Sdn. Bhd Policy No.: DL-09170783-FWC (mill), DL-09171116-FWC (Pamol Barat estate), DL-09171600-FWC (Swee Lam estate) valid till 30/9/2015 covering all foreign workers.	Complied
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Occupational injuries are recorded in Form JKPP 6 and JKPP 8.	
<b>Criterion 4.8:</b>			
All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	Formal training program for the year 2015 prepared in December 2014 for the new financial year. The training program covers all aspects of RSPO P&C including supply chain and traceability. Program for the 2014 have been implemented. Regular assessment of on-the-job training conducted to ensure understanding among the employees.	Complied

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4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	<p>Training records available. Some of the samples includes:  Palm Oil Mill:  1. Safety training dated 4/12/2014.  2. First Aid training dated: 2/1/2015.  3. Chemical handling training dated: 2/1/2015.  4. Supply Chain Training dated: 3/1/2015</p> <p>Swee Lam Estate:  Water treatment training dated: 17/11/14  Chemical handling training dated:14/11/14  Schedule waste training dated: 24/10/14  Rat baiting training dated: 24/9/14  Briefing on payslip details dated: 8/9/14</p> <p>Pamol Barat Estate:  Barn Owl census training dated: 17/12/14  Chemical handling training dated: 2/1/15  Pheromone Beetle Trap recording training dated: 17/12/14  Agrochemical Applicators SOP training dated: 2/1/15  Briefing on payslip details dated: 8/9/14  Induction Training dated: 18/10/14</p>	Complied

**Principle 5: Environmental responsibility and conservation of natural resources and biodiversity**

**Criterion 5.1:**

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	The IOI sustainability team has prepared the environmental aspect and impacts assessment in term of Environmental Impact Assessment, management Action Plans and Continual Improvement Plans from January 2015 till December 2015 for Pamol Kluang region. The review conducted through discussion with stakeholders.	Complied
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	No changes in the operation at the time of audit. However, the mill has planned to install biogas plant by 2017 to reduce the methane gas released from the POME. It also installed GreenTube to minimize solids to the minimum level and thus reducing the frequency of de-sludging for the ponds. The current identified impacts are prepared with management plan to mitigate negative impacts.	Complied
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -	No changes in the operation at the time of audit. The plan is being reviewed on yearly basis with latest review was done on 5 December 2014.	Complied

**Criterion 5.2:**

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.

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5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	HCV assessment has been reviewed on December 2014 by the executive from the sustainability team who has attended HCV training. There were only HCV 6 has been identified in Pamol Barat Estate (worship place). Monitoring and maintenance for the HCV 6 has been planned and monitored. The "Bukit Batu" covering an area of 35ha is identified as HCV through the HCV assessment at Mamor estate is continue to be maintained.	Complied
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	Estates are located near township and surrounded by other plantations and villages. Protected species such as monitor lizards are cited. Illegal hunting is prohibited and patrolling by carried out by security personnel.	Complied
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed signboards at prominent areas to prohibit illegal hunting, disturbance of protected areas and the lighting of fires. Inspection of housing areas and interview of residents confirmed workers were aware of the company policy that prohibits illegal hunting and collecting activities.	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	IOI sustainability team has prepared a Management Plan for protection of the HCV area in Pamol Barat estates and at Mill housing site complex that is based on habitat protection as well as enhancement of the area.	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	The existing HCV is worship places at estates and "Bukit Batu" at Mamor estate. Local communities' hae access to the worship places.	Complied
<b>Criterion 5.3:</b>			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The Mill and estates have identified and documented all waste products and sources of pollution such as POME, EFB, chemical containers, domestic waste, clinical waste and etc as sources of pollution.	Complied
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance -	Mill has disposed schedule waste through licensed contractor (OLST Petro Chemical Sdn. Bhd). Last disposal was done on 18/9/14 (consignment Note No.: 10373) for SW 410, SW 409, SW 305 and SW 306. The clinical wastes were disposed through Medivest Sdn. Bhd. Last disposal was done on 29/12/14 (Consignment note no.: 550615). Chemical containers are triple rinsed and pierced to avoid misuse.	Complied

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5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	Waste management and disposal plan has been included in the environmental management plan. Swee Lam estate has engaged Indah Water to extract domestic sewage water at the line site on 28/5/2014. Schedule waste disposed through authorised collectors (refer 5.3.2)  However, there was no proper pollution prevention plan for the waste water from cleaning of tractor that contains traces of oil grease that flow into the drain. The washing area of tractor does not implement a prevention measure to control the waste water that contain traces of oil and grease from flowing into the drain. Minor nonconformity was raised.	Minor Noncompliance Indicator 5.3.3
<b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.			
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	Palm oil mill has maximised the renewable energy usage. Monitoring of the renewable energy and fossil fuel is recorded. The renewable energy usage from the POM's data analysis indicates that renewable energy use was ranging from 15 – 20kWh/mt FFB processed whereas fossil fuels use was ranging from 5-6kWh.	Complied
<b>Criterion 5.5:</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	No burning activities during land preparation for replanting. Field visit confirmed that previous old palms are felled, shredded and stacked in the inter row.	Complied
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	No burning activities during replanting.	Complied
<b>Criterion 5.6:</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	The mill has done the Isokinetic Stack & Air emission monitoring on 22/7/2014. The monitoring has been done by ENV Consultancy & monitoring Services Sdn. Bhd (Ref. No.: ENV/PAMOL/DARK SMOKE/BOILER2/07.2014 and ENV/PAMOL/ISO/BOILER2/07.2014). The result shows that the dust concentration level has exceeded the permitted level of new EQA (Clean Air) Regulation 2014 of 0.050g/Nm3. However, as per the regulation the company has 5 years grace period to comply with this new regulation. The mill also has budgeted to change the chimney to reduce the dust concentration.	Complied



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5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Significant pollutants and greenhouse gas (GHG) emissions were identified includes methane discharged from mill effluent (POME), fossil fuel consumed and fertilizer applied in the field. Palm oil mill has already plan to install methane capturing system by 2017.	Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Monitoring system of the significant pollutants such as POME, smoke emissions and contamination to land Available and was checked and verified. DOE online CEMS monitoring system, water quality analysis at discharge points as per DOE regulations and schedule waste disposal were as per regulatory requirements.	Complied
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</b>			
<b>Criterion 6.1:</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Sustainability department has conducted a social impact assessment on December 2014 for the whole Pamol Kluang complex. Latest meeting was done on 20/11/14 attended by 38 stakeholders.	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Meeting attendance and interview with stakeholders found they were invited for the meeting and the issues highlighted by them have been included in the management plan.	Complied
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Social management plan has been included in the SIA assessment to mitigate the negative impacts with time frame and person in charge. There were no negative impacts raised by any external stakeholders. Internal stakeholders raised mainly issues on housing repair and other facilities. During the visit to the housing found that the housing are in good condition at the time of visit.	Complied
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Social Management Plan reviewed annually through the stakeholder consultation and taking into consideration feedback from external and internal stakeholders. Latest meeting was done on 20/11/14 attended by 38 stakeholders.	Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder scheme within the Pamol Kluang complex.	Not applicable
<b>Criterion 6.2:</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			

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6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Consultation and communication procedure for stakeholders is through IOI website: <a href="http://www.ioigroup.com">www.ioigroup.com</a> or otherwise for those who do not have access to internet may follow on-site Stakeholders Request Procedure which available at operating units. Verbal request by phone call are made by government departments through IOI Group General Line: +60389478888 or written request addressed to: Two IOI Square, IOI resort, 62502 Putrajaya, Malaysia is still in practice. Written procedure held on file Management Plan point 10.0 Stakeholders Request Procedure. No changes noted.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	The mill has appointed cadet assistant manager as the management official for any social issues. Appointment letter dated 1/10/14 sighted during the audit.	Complied
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	The mill and estates have an updated list of stakeholders. It includes internal and external stakeholders such as government departments, contractor, suppliers, non-governmental organisation and workers representatives.	Complied
<b>Criterion 6.3:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	Grievance procedure included in the "Management Plan". Complaint and grievances have been recorded in "Complaint/Grievance Book" since July 2007 which is also called as green book. The "Grievance/Complaints" book is used to record all enquiries beside complaints and grievances. Inspection of the records indicated that the system resolved all disputes in a timely manner. Interview with internal and external stakeholders confirmed that there were no pending complaints. IOI head office has responded to the report by NGO from Finland. The details are available on the IOI website dated 19 December 2014 by Corporate Communication.	Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	Internal and External disputes/grievances/enquiries are documented in the green book. ECC (Employment Consultative Committee) for resolving employment issues at local level is documented through minutes of meetings.	Complied
<b>Criterion 6.4:</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	All operating units have a copy of procedure to identify legal, customary rights or user right and people entitled to compensation. There are no any issues at Pamol Kluang Certification unit. This was re-confirmed by stakeholders interviewed.	Complied



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6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP for calculating and distributing fair compensation which includes various factors such as gender differences, ownership and access to land, rights of long-established communities, differences in ethnic group's proof of legal versus communal ownership of land have been established. However, there is no any issue at Pamol Kluang Certification unit.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	At the time of audit it was noted that there is no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date.	Complied
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	Documentation of pay and condition includes pay slips with details of the calculation. The records are prepared and maintained by the Chief Clerk at mill and estates and complies. However there are some discrepancies was noted during the document verification. Major nonconformity was raised. See Section 3.3 above. Pamol Barat Estate: Documented pay for piece rate work is below the minimum wage as stipulated in the minimum wage order. The average wage per day did not meet the minimum wage of RM 34.62. Sample of Pamol Barat Estate Employees: Employee number PBE2076=Average for 24 days is RM32.52/day, Employee number PBE2077=Average for 23 days is 29.73, Employee number, PBE2073= Average for 24 days is 30.21, Employee number PBE 2074=Average for 24 days is 28.03.	Major Noncompliance Indicator 6.5.1
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Contract of employment are available and understood by workers. Pay and conditions have been explained to workers by the plantation management during the induction program conducted at the time of arrival. The company is in the progress of revising the contracts and translating to the language of the employees. The full implementation will be followed up during next surveillance.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	All the workers are provided with housing, water and electricity from government supply, medical and welfare amenities. There are government schools located in the estate. During the interview with workers at the sites confirmed that they have access to all the facilities. Interviews with local and foreign workers confirmed that all have there is no any issues at the time of assessment conducted.	Complied
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food. - Minor compliance –	During the assessment, interview with employees and stakeholders confirmed that access to food are adequately and sufficiently provided and the employees have ability to purchase food of their choice through internal and external shops available in each operating units and within the vicinity of the operating units.	Complied
<b>Criterion 6.6:</b> The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	The company has statement on workers freedom of association (Polisi Hak Sama Rata dan Kebebasan Berpersatuan Pekerja) dated 2 January 2009.	Complied
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Foreign workers are represented in the Employee Consultative Committee (ECC). Last ECC meeting was conducted on 30/10/14 attended by 6 workers representatives. No issues were highlighted. Local workers are members of NUPW and meetings held within the members and district secretary. At Swee Lam estate, last ECC meeting was conducted on 13/12/14 attended by representatives from all foreign workers nationality and local workers representative.	Complied
<b>Criterion 6.7:</b> Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	The minimum age for employment is 18 years old. Inspection of employee register confirmed that copy of ID for local employees or passport for foreign employees is checked and verified to ensure the age condition is fulfilled. During field visit children were not observed at any of the working place at both mill and estate. This was also re-confirmed with stakeholders.	Complied
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Equal Opportunity policy dated 20 Aug. 2009 approved by the IOI Group Plantation Director. This policy is displayed at the notice boards along with the other policies. Interview with staff and workers reveal they are aware of the policy’	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Interview with staff and workers as well as external stakeholders reveal that there is no discrimination between ethnic groups and among employees. Gender equality is noted where there are female mandors employed and paid equally for the same job carried out.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Due to shortage of local labour supply in plantations, application for field work is accepted by the estate management directly. Promotions to higher post based on skill, capabilities, qualities and medical fitness of the workers.	Complied
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy on preventing sexual harassment "Polisi Pencegahan dan Pemberantasan Gangguan Seksual di Tempat Kerja" is available for prevention and eradication of sexual harassment in the workplace. At the time of audit there are no reported cases of sexual and other forms of harassment noted or informed by the stakeholders interviewed. Gender Committee comprised of female representatives communicate the awareness on preventing harassment.	Complied
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Management protect the reproductive rights of the workers especially women. Female workers and staff interview reveal that they are aware of their right to reproductive and entitled for two months paid maternity leave.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Grievance mechanism which respects anonymity and protects complainants has been established, implemented, and communicated to all employees. Interview with employees reveal that they are aware of the existing mechanism for complaint submission. Mill has formed gender committee specifically to address women issues. Latest meeting was done on 25/8/14. No issues were highlighted during the meeting. Pamol Barat estate: Last meeting 30/9/14 attended by 6 members. No any grievances noted.	Complied
<b>Criterion 6.10:</b> Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	The palm oil mill has the records of current and past FFB prices which in accordance to MPOB pricing. There is no any FFB sourced from external suppliers or smallholders.	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	FFB not sourced from smallholders or out-growers. However, the mill personnel able to explanation the FFB pricing mechanism issued by MPOB.	Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Sample contract of grass cutting and domestic waste collection contractor (Contract No.: PMM/004-14-15) dated 2/7/2014 was checked. At the Pamol Barat estate, FFB transport contract (No.: PBE/005-14/15) dated 1/7/2014 was checked. All contracts are fair, legal, and transparent and understood by the contractors. This was re-confirmed by contractors during interview.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Payment record of the above contractor for the month of November 2014 found as per the contract term (Payment voucher No.: 007/11). Payments are made in a timely manner as per contract terms and re-confirmed by the contractors interviewed.	Complied
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	All operating units contribute to local development through consultation and communication with the local head of villages. The company have cooperated with the government to allocate land for the school close to the government road. Underground public water piping to the nearby Pengkalan Tereh Village is running through the estates and have been allowed by the company. Employment opportunity is given to the locals at the nearby Kampong Gajah Village.	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	No scheme smallholders in the supply base.	Not applicable
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Workers, staff and stakeholder interview confirm that there is no any form of forced labour or trafficked labour in the operating units. All workers are legalised as per the requirements from local authorities.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	No incidents have been found regarding contract substitution. This was confirmed through interviews with internal and external stakeholders and document review.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal Opportunity and Non- Discrimination policy is available and implemented.	Complied
<b>Criterion 6.13:</b> Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	IOI's Sustainability Policy Statement includes Human Rights and Workplace. This has been stressed in the IOI Corporation Berhad's 2014 annual report. This policy covers the necessary aspects of human rights related issues. Interview during the assessment reveal that employees understand their right. IOI head office is in process of reviewing their various social policies for integration into the group.	Complied
<b>Principle 7: Responsible development of new plantings</b>			
Pamol Kluang Certification unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			
<b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>8.1.1</p> <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);               <ul style="list-style-type: none"> <li>• Optimising the yield of the supply base.</li> </ul> </li> </ul> <p>- Major compliance -</p>	<p>Continual improvement plans and implementation covers planting of beneficial plants to reduce the leaf eating pest damage. This has helped the estates to minimise use of pesticides. There was no class 1a or 1b pesticide used at the time of audit. Natural vegetation such as soft grass is maintained. Only selective weeding carried out with agrochemical. All the estate’s policy is to minimize the use of pesticides in accordance with IPM. No prophylactic use of pesticides noted during the field visit and records verification. Greenhouse gas (GHG) emissions have been identified as one of the environmental impact issue and polluting factor. Pamol Kluang mill has plan to develop methane capturing mechanism (biogas plant) by 2017. At the moment regulatory measures are carried out to monitor the emission from processing activities. Social Action Plans are working towards improving stakeholder relationship through engagement and dialogue. Similar to last assessment maintenance of road for nearby Pengkalan Terek village by the estate is continuously being carried out by the estate management. Contribution to local development such as mosque activities, temple festival and schools are continuously implemented.</p>	<p>Complied</p>

**Appendix B: Time Bound Plan**

No	Certification Unit	Status	Remarks
1	Pamol Sabah Palm Oil Mill (Covering 6 Estates)	Certified since 1/2/2009.	Re-Certification completed.
2	Sakilan Palm Oil Mill (Covering 3 Estates)	Certified since 8/3/2010	Re-Certification completed.
3	Pamol Kluang Palm Oil Mill (Covering 6 Estates)	Certified since 16/3/2010	Re-Certification completed.
4	Gomali Palm Oil Mill (Covering 11 Estates)	Certified since 23/8/2010	-
5	Baturong Palm Oil Mill (Covering 4 Estates)	Certified since 8/10/2010	-
6	Bukit Leelau Palm Oil Mill (Covering 6 Estates)	Certified since 19/11/2010	-
7	Mayvin Palm Oil Mill (Covering 5 Estates)	Certified since 22/12/2010	-
8	Pukin Palm Oil Mill (Covering 4 Estates)	Certified since 13/6/2012	-
9	Syarimo Palm Oil Mill (Covering 9 Estates)	Certified since 20/3/2013	-
10	Ladang Sabah Palm Oil Mill (Covering 8 Estates)	Certified since 3/4/2013	-
11	Leepang Palm Oil Mill (Covering 7 Estates)	Certified since 16/12/13	-
12	Morisem Palm Oil Mill (Covering 9 Estates)	Certified since 18/12/2013	-
13	IOI-Pelita RSPO Main Audit (covering 2 estates – No Palm Oil Mill)	<i>*Audit date is depending on uplifting on suspension</i>	-
14	PT SKS & PT BNS (No Palm Oil Mill)	<i>*Audit date is depending on the commissioning of Palm Oil Mill (Certification Unit)</i>	-
15	Unico – Desa (New Acquisition in 2013) – 2 Palm Oil Mills	Certification by 2016	New Acquisition in 2013

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**Appendix C: Certificate Details**

IOI Corporation Berhad  
 Pamol Plantation Sdn. Bhd.  
 Pamol Kluang Palm Oil Mill,  
 P.O. Box 1, 86007 Kluang,  
 Johor,  
 Malaysia.

Website: [www.ioigroup.com](http://www.ioigroup.com)

RSPO Membership number: 2-0002-04-000-00

BSI RSPO Certificate No: SPO 547027

Date of Initial Certificate Issued: 16 March 2010

Applicable Standards: RSPO P&C 2013; RSPO Certification System June 2007 (revised March 2011); RSPO P&C MY-NIWG 2010; RSPO Supply Chain Certification Standard 21 November 2014 Module D - CPO Mills: Identity Preserved

<b>Pamol Kluang Palm Oil Mill and Supply Base</b>					
Location Address	Pamol Kluang Palm Oil Mill, P.O. Box 1, 86007 Kluang, Johor, Malaysia.				
GPS Location	Longitude: 103° 23' 24" E Latitude: 2° 06' 36"				
CPO Tonnage Total	56,528				
PK Tonnage Total	13,230				
CPO Claimed for Certification	56,528				
PK Claimed for Certification	13,230				
Own estates Certified FFB Tonnage	240,543				
Scheme Smallholder FFB Tonnage	NIL.				
Non-company suppliers FFB Tonnage - Other adjacent estates	NIL.				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Pamol Timur Estate	1,300	872	129.35	2,301.35	29,310
Pamol Barat Estate	1,495	699	83.67	2,277.67	28,869
Mamor Estate	2,115	0	115.00	2,230.00	64,912
Unijaya Estate	1,028	166	66.64	1,260.64	22,810
Kahang Estate	2,288	0	132.00	2,420.00	63,812
Swee Lam Estate	1,126	326	102.60	1,554.60	30,830
<b>Total</b>	<b>9,352</b>	<b>2,063</b>	<b>629.26</b>	<b>12,044.26</b>	<b>240,543</b>

**Appendix D: Recertification Assessment Plan**

PRELIMINARY AGENDA					
Date	Time	Subjects	Senniah	Kelvin	Muhd Haris
Monday 5/1/2015	AM	Audit Team travelling to the site.	√	√	√
	PM	Meeting external stakeholders	√	√	√
Tuesday 6/1/2015 <b>Pamol Kluang Palm Oil Mill</b>	08.30 – 09.00	Opening Meeting: Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).	√	√	√
	09.00 – 12.00	<b>Pamol Kluang Palm Oil Mill</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	<b>Pamol Kluang Palm Oil Mill:</b> Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Wednesday 7/1/2015	08.30 – 12.00	<b>Pamol Barat Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	-
	10.00 – 12.00	<b>Meeting with stakeholders</b> (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	<b>Pamol Barat Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30 - 17.00	Interim Closing Briefing	√	√	√
Thursday 8/1/2015	8.30 – 12.00	<b>Swee Lam Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	<b>Swee Lam Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Friday 9/1/2015	8.30 – 10.30	Verify any outstanding issues & Preparation for closing meeting	√	√	√
	10.30 - 12.00	Closing Meeting	√	√	√



**Appendix E: Stakeholders Contacted**

**INTERNAL STAKEHOLDERS**

<b><i>Pamol Kluang Mill</i></b>	<b><i>Mamor Estate</i></b>	<b><i>Kahang Estate</i></b>
Mill manager and staffs	Estate manager and staffs	Estate manager and staffs
Boiler operators	Field supervisor/mandor	Field supervisor/mandor
Engine room operators	Harvesters	Harvesters
Electrician	Sprayers	Sprayers
Store officer	Housewives	Housewives
Weighbridge Clerk	Union Representative	Union Representative
Lap Assistants	Foreign worker representative	Foreign worker representative
Head of central workshop		
Clinic/hospital assistants		
Union Representative		
Foreign worker representative		

**EXTERNAL STAKEHOLDERS**

<b><i>GOVERNMENT DEPARTMENTS</i></b>	<b><i>NGOs and others</i></b>	<b><i>Local Communities</i></b>
Labour Department	National Union of Plantation Workers - Kluang Branch	Kampung Tereh Head of Village
Department of Safety and Health	Contractors	Kampong Seri Tambak Representative
Department of Environment	Suppliers	Kampong Gajah Village Representative
School Teacher	Estate Temple Committee	Shop Owners
Police Department, Kg. Gajah	GreenPalm	
	Social NGO	
	RSPO	
	MAPA – The Malayan Agricultural Producers Association	

**Appendix F: CPO Mill Supply Chain Assessment Report (Module D-CPO Mills: Identity Preserved)**

Requirements	Compliance
<b>D.1. Definition</b>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The Pamol Kluang mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&amp;C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products</p>
<b>D.2 Explanation</b>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
<b>D.3 Documented procedures</b>	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</li> <li>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</li> </ul>	<p>Latest written documented procedures The details include all elements of the Supply Chain for controlling the receipt, sale and dispatch of palm products. SOP ISCC/SOP/COC/I dated January 2015 for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non certified FFB. This developed based on the RSPO SCCS 21 November 2014. The previous SOP was for SG. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Pamol Kluang Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs.</p>
<b>D.4 Purchasing and goods in</b>	
<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Pamol Kluang mill have system to verify at the weighbridge.</p>

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D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The facilities aware of this procedure and stated in the.
<b>D.5 Record keeping</b>	
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Pamol Kluang Palm Oil mill. PK is sold to external independent kernel crushing plants. Daily records are prepared at the entry point at the weighbridge. Daily summary and three-monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.
<b>D.6 Processing</b>	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing. No non-certified FFB received.
D.6.2 The objective is for 100 % segregated material to be reached.	Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.

**Actual Certified Palm Production - 01 January 2014 - 31 December 2014 (ASA4)**

Mill	Capacity	CPO	PK
Pamol Kluang Palm Oil Mill	60 mt/hr	53,464	11,899

**Actual Sales of Certified Palm Products - 01 January 2014 - 31 December 2014(ASA4)**

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Pamol Kluang Palm Oil Mill	34,300	NIL	Sales in eTrace IT system

**Actual Certified FFB Received Monthly - 01 January 2014 – 31December 2014**

Month	Pamol Timur	Pamol Barat	Mamor	Unijaya	Kahang	Swee Lam	Total FFB/Month
January 2014	2,310	3,105	4,174	1,960	3,290	1,719	16,558
February 2014	1,852	2,578	2,944	1,483	2,980	1,705	13,542
March 2014	2,109	2,433	3,450	1,800	3,697	2,288	15,777
April 2014	2,017	2,471	3,692	1,810	4,303	2,434	16,727
May 2014	2,002	2,750	3,749	1,957	4,708	2,699	17,865
June 2014	1,959	2,661	3,877	1,764	4,865	1,754	16,880
July 2014	2,885	3,296	5,025	2,162	6,131	2,648	22,147
August 2014	3,004	3,937	6,216	2,781	6,926	2,610	25,474
Sept. 2014	2,879	3,339	5,237	2,513	5,614	2,221	21,803
Oct. 2014	2,777	3,415	6,178	2,121	5,385	2,422	22,298
Nov. 2014	2,787	3,411	5,423	2,155	5,510	2,178	21,464
Dec. 2014	2,120	3,036	4,456	1,656	3,800	1,770	16,838
Total	28,701	36,432	54,421	24,162	57,209	26,448	227,373

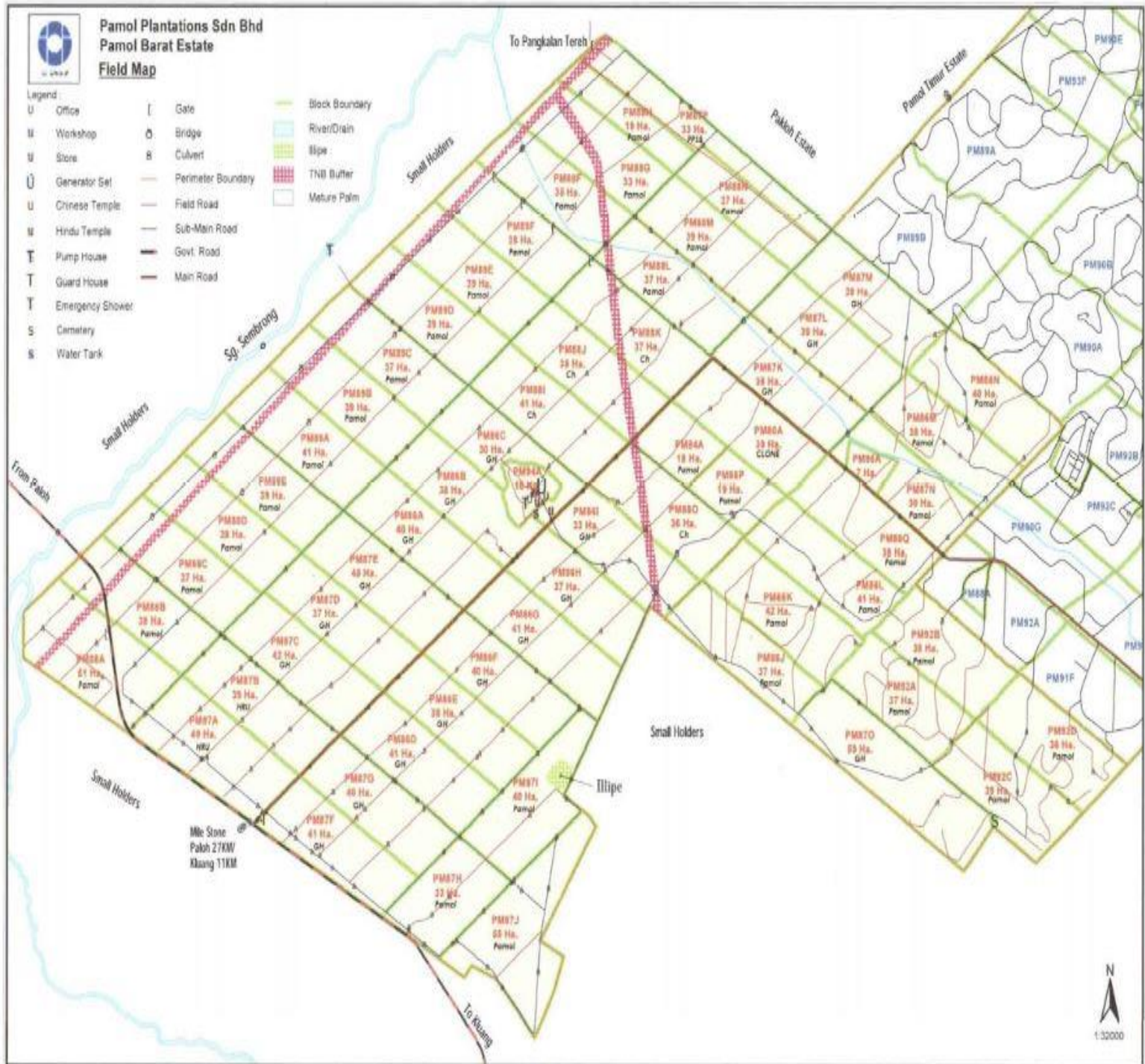


**Appendix G: Location of Pamol Kluang Mill and Supply Base in Johor, Malaysia**

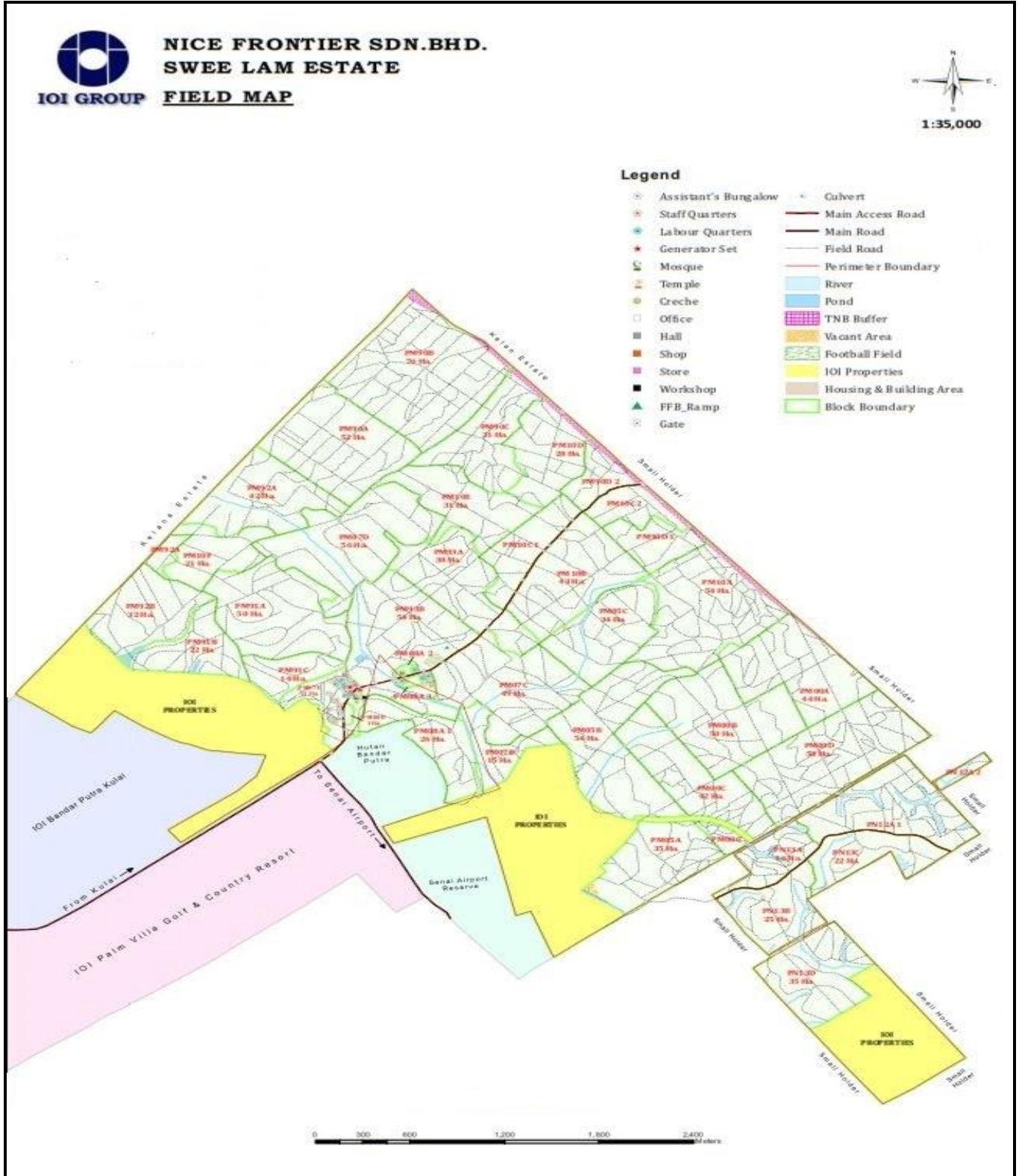




**Appendix H: Pamol Barat Estate Field Map**



**Appendix I: Swee Lam Estate Field Map**



**Appendix J: List of Abbreviation Used**

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CAR	Corrective Action Request (for nonconformity)
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
IPM	Integrated Pest Management
MAPA	– The Malayan Agricultural Producers Association
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers
PB	Pamol Barat
PK	Palm Kernel
PT	Pamol Timur
PPE	Personal Protective Equipment
RC	Recertification
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure