



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

File Ref. : EI03590001

**RSPO PUBLIC SUMMARY REPORT**

**CLIENT : IOI CORPORATION BHD – BUKIT LEELAU CERTIFICATION UNIT**

**PARENT COMPANY : IOI CORPORATION BERHAD**

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

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

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

**MAP : See Attachment 1**

**AUDIT DATE : 24–27 SEPTEMBER 2018**

**DURATION : 21 auditor days**

**TYPE OF AUDIT : ☒ Annual Surveillance Audit No. 3**

**☐ Recertification Audit**

**STANDARD: RSPO PRINCIPLE & CRITERIA MYNI 2014 AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014**  
(REVISED 14 JUNE 2017)

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

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

**The following attachments form part of this report:**

Non-conformity Report(s) ☐

List of additional site(s) ☐

**Report by Audit Team Leader**

Name : MOHD AB RAOUF BIN ASIS

Signature :

Date : 28 December 2018

**Acknowledgement by Client's Representative**

Name :

**IOI PLANTATION SERVICES SDN BHD**

Company No: 1050782-T

**Sustainability, Safety & Health Dept**

Signature :

31/12/18

Date :

**RAVI TONY**  
**MANAGER**

**JKKP IS 127/438/2/1596**

## RSPO PUBLIC SUMMARY REPORT

### SUMMARY OF AUDITS

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

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

Annual Surveillance Audit 2				
On-site audit date	:	11-15 September 2017	No. of auditor days	: 16
Audit team	:	Mohd Razman Salim, Mahzan Munap, Mohd Ab Raouf Asis & Zulkarnain Abdullah		
No. of major NCR	:	2	Indicator: 4.3.4 & 5.2.1	Closing date: 13/11/2017
No. of minor NCR	:	2	Indicator : 2.2.2 & 5.2.5	
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers / Local communities
	:	/		/
	:	Contract workers	NGOs	Govt. agency
	:	/		Independent growers
	:	Indigenous people	Contractor	Others (Please specify)
Supply base sampled		Bukit Leelau Palm Oil Mill, Bukit Leelau Estate, Leepang A Estate & Laukin A Estate		

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Changes since the last audit :	1. One new supply base (Laukin A Estate (1,564.90Ha) was transferred to this CU from Pukin CU (certified by Intertek). 2. The certified area for Leepang A Estate has been corrected to 2403.70 ha (1603.00Ha + 800.70Ha).	
Justification of audit planning :	-	
Report approved by :	Aminah Ang	Approval date: 20/12/2017

### Annual Surveillance Audit 3

On-site audit date :	24-27 September 2018	No. of auditor days :	21
Audit team :	Mohd Ab Raouf bin Asis (LA), Mohd Razman bin Salim (A), Mohd Zulfakar bin Kamaruzaman (A), Suzalina binti Kamaralarifin (A), Rahayu binti Zulkifli (A), Selvasinggam T. Kandiah (A)		
No. of major NCR :	5	Indicator: 1.1.2, 4.1.1, 4.8.1, 6.5.2, 5.4.1 (SC)	Closing date : 21/12/2018
No. of minor NCR :	3	Indicator: 4.1.2, 4.7.5, 6.10.4	
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers / Local communities
	/	/	/
	Contract workers	NGOs	Govt. agency
			Independent growers
	Indigenous people	Contractor	Others (Please specify)
Supply base sampled :	Bukit Leelau POM, Bukit Leelau Estate, Merchong Estate, Mekassar Estate, Detas Estate		
Changes since the last audit :	No changes		
Justification of audit planning :	Total allocation of auditor days for Bukit Leelau CU were: 21.0 auditor days Mill = 5 days (4 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems). Estate = 4 days each for the four estates (Bt. Leelau, Merchong, Mekassar & Detas) for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title.		
Report approved by :	Radziah binti Mohd Daud	Approval date :	28/12/2018

### Annual Surveillance Audit 4

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

# RSPO PUBLIC SUMMARY REPORT

## SUMMARY OF INFORMATION

TABLE 1

	STAGE 2 / RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period	August 2015 – July 2016	August 2016 – July 2017	September 2017 – August 2018	September 2018 – August 2019	
Certified FFB Processed (MT)	141,982.50	176,730.00	202,820.00	215,327.00	
Production of Certified CPO (MT)	32,746.37	40,648.00	48,169.75	49,525.21	
Production of Certified PK (MT)	7,113.08	9,278.00	9,633.95	10,228.00	
Certified Areas (Ha)	-	-	11,434.17	*11,489.17	
Planted Areas (Ha)	-	-	9,880.00	**9,880.00	
Production Areas (Ha)	-	-	7,389.00	8,115.13	
HCV Areas / Conservation Areas (Ha)	-	-	18.84	***16.53	
REMARKS	<p>* Laukin Estate, during ASA-02 the certified area was reported as 1,564.90 Ha by referring the temporary land title issued by the Land Department of Malaysia. A week later the audit, the estate managements (Laukin A and Leepang Estates) received copy of latest permanent land titles. According the new land titles, the certified area of Laukin A Estate changed to 1,619.90 Ha.</p> <p>** The planted area has been revised for these two estates; Bukit Leelau Estate from 1,950.00 Ha to 1,948.00 Ha, while for Detas Estate; from 2,116 Ha to 2,118 Ha due to resurvey conducted by the GIS team.</p> <p>*** Total HCV Areas Hectarage reduced from 18.84 Ha to 16.53 Ha as some of the previously declared HCV such as worshipping areas and ponds were re-categorized under Environmentally Sensitive Area.</p>				

TABLE 2

	PO	PK
Last years certified volume (MT)	*49,349.75	*10,499.95
Last years actual certified sold (MT)	32,729.11	5,372.04
Last years actual sold under other schemes (MT)	2,529.23	0.00
Last years sold conventional (MT)	9,226.33	3,608.98
New year certified volume (MT)	49,525.21	10,228.00

\*Bukit Leelau CU has applied extension of volume for additional 1,180MT (PO) and 866MT (PK) and the application has been approved by RSPO EB on 12/07/2018.

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## 1.0 AUDIT PROCESS

### 1.1 Certification Body

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

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

### 1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mohd Ab Raouf bin Asis	Lead Auditor, Occupational, Health and Safety	Possessed B.Sc. (Hons) Management Technology Majoring Production and Operation from UTHM in 2007. He has been in the plantation industry for 7 years assisting Estate Manager managing palm oil estates. He is a qualified RSPO P&C and MSPO Lead Auditor.
Mohd Razman bin Salim	Auditor, Social	Possessed B.Sc. Forestry (Hons) from Universiti Putra Malaysia with more than 4 years of working experience in the Forest Management, forest, HCVF and ecology.
Mohd Zulfakar bin Kamaruzaman	Auditor, Environment & HCV	Holds a B.Sc. Forestry. He had more than 4 years of working experience in the oil palm operation. He is a qualified RSPO P&C, RSPO Supply Chain and MSPO Lead Auditor.
Suzalina binti Kamaralarifin	Auditor, Supply Chain	Holds a B. Sc. of Industrial Chemistry from University Teknologi Malaysia. She had 8 years of working experience in the palm oil related industry of POM, Oleo chemical & refinery. She is a qualified Lead Auditor for RSPO Supply Chain.
Rahayu binti Zulkifli	Auditor, Social	Holds a Degree in LLB (Hon), she was a practicing lawyer before joining WWF-Malaysia and RSPO as a Dispute Settlement Facility Manager. She is now working as a freelance RSPO auditor
Selvasingam T. Kandiah	Auditor, Good Agricultural Practices	Holds a B.Sc. of Agriculture University of Agricultural Sciences, Hebbal, Bangalore, India. He had more than 28 years of working experience in plantation management covering cocoa, rubber and oil palm.

### 1.3 Audit methodology

The audit covered the one palm oil mill and four of its supply base. The sampling of the number of the supply base was using the formula of  $0.8\sqrt{y}$ . The four supply base covered during the audit are Bukit Leelau Estate, Merchong Estate, Mekassar Estate, Detas Estate. The audit included an on-site audit to the estates and mill to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

**1.4 Stakeholder Consultation**

Stakeholder consultation was carried out during the on-site audit. In general, there was no negative comments made against this Certification Unit.

**1.5 Audit plan : Refer to Attachment 2**

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

**2.0 SCOPE OF CERTIFICATION AUDIT**

**2.1 Description of the certification unit**

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

The Bukit Leelau CU was fully developed hence Principle 7 of the RSPO Principles & Criteria is therefore not applicable. The Bukit Leelau mill and all the supply bases have hold the ISCC certification (Cert. No. EU-ISCC-Cert-DE100-24462016) which had expired on 22/9/2017. The renewal of the ISCC certification was postponed.

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

The FFB is sourced from company owned estate in the Bukit Leelau CU and the details of the FFB actual and projected contribution from each source to the mill are shown in the following tables.

**Table 1: Actual FFB production by the supply base for the last reporting period  
(September 2017 to August 2018)**

Estates	FFB Production	
	Tonnes	Percentage (%)
Bukit Leelau Estate	14,834.65	7.52
Detas Estate	30,387.72	15.41
Merchong Estate	45,738.31	23.19
Mekassar Estate	30,864.51	15.65
Leepang A Estate	49,225.39	24.96
Laukin A Estate	26,146.05	13.26
<b>Total</b>	<b>197,196.63</b>	<b>100</b>

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**Table 2: Projected FFB production by supply base for the next reporting period  
(September 2018 to August 2019)**

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Bukit Leelau Estate	10,310	4.79
Detas Estate	40,190	18.66
Merchong Estate	51,853	24.08
Mekassar Estate	32,950	15.30
Leepang A Estate	51,600	23.96
Laukin A Estate	28,424	13.20
Bukit Leelau Estate	10,310	4.79
<b>Total</b>	<b>215,327</b>	<b>100</b>
<b>Other Supply Bases</b>		
Third parties (non-certified)	-	-
<b>Grand Total</b>	<b>215,327</b>	<b>100</b>

**Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period  
(September 2017 – August 2018)**

	Total (MT)
FFB Received	197,196.63
FFB Processed	197,196.63
CPO Production	45,328.11
PK Production	8,961.74
CPO delivered as RSPO certified	32,729.11
CPO delivered under other schemes (MT)	2,529.23
CPO delivered as non-RSPO certified	9,226.33
PK delivered as RSPO certified	5,372.04
PK delivered under other schemes (MT)	0.00
PK delivered as non-RSPO certified	3,608.98

**Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period  
(September 2018 to August 2019)**

	Total (MT)
FFB Received	215,327.00
FFB Processed	215,327.00
CPO Production	49,525.21
PK Production	10,228.00
CPO delivered as RSPO certified	49,525.21
CPO delivered as non-RSPO certified	0.00
PK delivered as RSPO certified	10,228.00
PK delivered as non-RSPO certified	0.00

**Table 5: Planted and certified area of the CU**

Estate	Planted (ha)	Certified (ha)
Bukit Leelau Estate	1,948	2,096.00
Detas Estate	2,118	2,225.78
Merchong Estate	1,806	1,934.40
Mekassar Estate	1,128	1,209.39
Leepang A Estate	1,829	2,403.70
Laukin A Estate	1,051	1,619.90
<b>Total</b>	<b>9,880.00</b>	<b>11,489.17</b>



**Table 6 Planting profile for Bukit Leelau Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area(ha)	Percentage of planted area (%)
1990	1 <sup>st</sup> Generation	Mature	183	9.39
1998	1 <sup>st</sup> Generation	Mature	89	4.57
2014	2 <sup>nd</sup> Generation	Mature	240	12.32
2015	2 <sup>nd</sup> Generation	Mature	302	15.5
2016	2 <sup>nd</sup> Generation	Immature	404	20.74
2017	2 <sup>nd</sup> Generation	Immature	432	22.18
2018	2 <sup>nd</sup> Generation	Immature	298	15.30
<b>Total</b>			<b>1,948</b>	<b>100.00</b>

**Table 7: Planting profile for Detas Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2009	2 <sup>nd</sup> Generation	Mature	100	4.72
2010	2 <sup>nd</sup> Generation	Mature	172	8.12
2011	2 <sup>nd</sup> Generation	Mature	350	16.53
2012	2 <sup>nd</sup> Generation	Mature	155	7.31
2013	2 <sup>nd</sup> Generation	Mature	244	11.53
2014	2 <sup>nd</sup> Generation	Mature	466	22.00
2015	2 <sup>nd</sup> Generation	Immature	359	16.95
2016	2 <sup>nd</sup> Generation	Immature	272	12.84
<b>Total</b>			<b>2,118</b>	<b>100.00</b>

**Table 8: Planting profile for Merchong Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area(ha)	Percentage of planted area (%)
2003	2 <sup>nd</sup> Generation	Mature	203	11.24
2004	2 <sup>nd</sup> Generation	Mature	291	16.11
2005	2 <sup>nd</sup> Generation	Mature	139	7.70
2006	2 <sup>nd</sup> Generation	Mature	367	20.32
2007	2 <sup>nd</sup> Generation	Mature	264	14.62
2008	2 <sup>nd</sup> Generation	Mature	144	7.97
2010	2 <sup>nd</sup> Generation	Mature	398	22.04
<b>Total</b>			<b>1,806</b>	<b>100.00</b>

**Table 9: Planting profile for Mekassar Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area(ha)	Percentage of planted area (%)
2004	2 <sup>nd</sup> Generation	Mature	263	23.32
2005	2 <sup>nd</sup> Generation	Mature	285	25.27
2006	2 <sup>nd</sup> Generation	Mature	199	17.64
2008	2 <sup>nd</sup> Generation	Mature	101	8.95
2009	2 <sup>nd</sup> Generation	Mature	280	24.82
<b>Total</b>			<b>1,128</b>	<b>100.00</b>

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**Table 10: Planting profile for Leepang A Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area(ha)	Percentage of planted area (%)
2001	1 <sup>st</sup> Generation	Mature	430	23.51
2002	1 <sup>st</sup> Generation	Mature	1399	76.49
<b>Total</b>			<b>1,829</b>	<b>100.00</b>

**Table 11: Planting profile for Laukin A Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area(ha)	Percentage of planted area (%)
2002	1 <sup>st</sup> Generation	Mature	1051	100
<b>Total</b>			<b>1,051</b>	<b>100.00</b>

### 2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

Name	:	Mr Ravi Tony
Position	:	Sustainability, Safety and Health Manager
Address	:	Sustainability, Safety and Health Department (Peninsular Malaysia), Gomali Estate, KB No 102, 85100, Batu Anam, Segamat, Johor.
Phone no.	:	07-9497043
Fax no.	:	03-89478988
Email	:	ravi.tony@ioigroup.com

### 3.0 AUDIT FINDINGS

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

There was no change to the certified products since the last assessment.

#### 3.2 Progress and changes in time bound plan (Refer to Attachment 7 for the time bound plan)

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

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

IOI Corporation Berhad is in progress to certify 5 PMU's from 2019 to 2020 as verified through Time Bound Plan as at September 2018. The PMU are PT SKS, Indonesia (2019), PT BNS, Indonesia (2019), PT BSS, Indonesia (2019), IOI-Pelita, Sarawak (2020) and PT KPAM, Indonesia (2020).

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

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

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

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

If no, please state reasons NA

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

3.3 Other changes (e.g. organizational structure, new contact person, addresses, etc.)  
No changes

3.4 Status of previous non-conformities \* ☒ Closed ☐ Not closed\*  
\* If not closed, minor non conformity will be upgraded to major non conformity

3.5 Complaint received from stakeholder (if any)  
Nil

### 4.0 DETAILS OF NON-CONFORMITY REPORT

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

Total no. of minor NCR(s) (details refer to Attachment 4 ) List : 4.1.2, 4.7.5, 6.10.4

Total no. of major NCR(s) (details refer to Attachment 4 ) List : 1.1.2, 4.1.1, 4.8.1, 6.5.2.

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

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

Total no. of major NCR(s) (details refer to Attachment 5 ) List : 5.4.1

### 5.0 AUDIT CONCLUSION

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

## RSPO PUBLIC SUMMARY REPORT

### 6.0 RECOMMENDATION

☐

No NCR recorded. Recommended to continue certification.

☒

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

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

☒

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

☒

Recommended to continue certification.

☐

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

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

7.0

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

Audit Team Leader : MOHD AB RAOUF BIN ASIS

(Name)



(Signature)

21/12/2018

(Date)

Map of Bukit Leelau CU



## ANNUAL SURVEILLANCE AUDIT (3) PLAN

## 1. Objectives

The objectives of the audit are as follows:

- (i) To determine Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (ii) To verify the effective implementation of corrective actions arising from the findings of last audit
- (iii) To make appropriate recommendations based on the audit findings

2. **Date of assessment** : 24 - 27 September 2018

3. **Site of assessment** : Bukit Leelau Certification Unit;  
(i) Bukit Leelau Palm Oil Mill  
(ii) Bukit Leelau Estate  
(iii) Detas Estate  
(iv) Merchong Estate  
(v) Mekassar Estate

4. **Scope of certification** : Production of Sustainable Crude Palm Oil and Palm Kernel Using the Identity Preserved Supply Chain Model

5. **Reference Standards used** :
- (i) RSPO P&C MYNI:2014
  - (ii) RSPO Certification Systems, June 2017
  - (iii) RSPO Supply Chain Standard, 14 June 2017
  - (iv) Company's audit criteria including Company's Manual/Procedures

## 6. Assessment team members

- (i) Audit Team Leader : Mohd Ab Raouf bin Asis
- (ii) Auditor : i) Mohd Razman bin Salim  
ii) Mohd Zulfakar bin Kamaruzaman  
iii) Suzalina binti Kamalarifin (Supply Chain)  
iv) Rahayu binti Zulkifli  
v) Selvasinggam T. Kandiah

*(If there is any objection to the proposed audit team, the organization is required to inform the Lead Auditor/RSPO Section Manager)*

## 7. Audit method

Site audits including observation of practices, interviews with interested parties (all categories of contractors, employees, nearby population, etc.), documentation evaluation and evaluation of records.

## **8. Audit Findings**

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed within 90 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 90 days, the certificate shall be terminated.

If there are five or more major non-compliances within one Principle found during the audit, immediate suspension of RSPO certification shall be recommended.

For minor non conformities raised in the surveillance audit, corrective action shall be verified in the next audit. These shall be upgraded to major non- conformities if the corrective actions are not satisfactory implemented in the next audit. For major non conformities raise in the surveillance audit, correction shall be verified in the next audit. Recurring major non- conformities on the same indicator in successive surveillance audits shall result in the immediate suspension of the RSPO P & C certification shall be recommended.

## **9. Confidentiality Requirements**

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain.

In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

**10 Working Language** : English and Bahasa Malaysia

## **11. Reporting**

- (i) Language : English
- (ii) Format : Verbal and Written
- (iii) Expected date of issue : 2 weeks after the closure of the Major NC / or if only minor NC, 30 days from the last day of this audit.

## **12. Facilities required**

- a. Room for discussion
- b. Relevant document and record
- c. Personnel protective equipment if required
- d. Photocopy facilities
- e. A guide for each group

**13. Assessment Programme Details :** **Please refer Attachment 1**

## AUDIT PLAN

Date / Time	Coverage of assessment / Activity / Site	Raouf	Razman	Rahayu	Selva	Zulfakar	Suzalina
<b>Day 1: 24 September 2018 (Monday)</b>							
8.30am – 9.15am	<b>Opening Meeting – Venue: Bukit Leelau Palm Oil Mill</b> <ul style="list-style-type: none"> <li>Audit team Leader - Briefing on assessment objectives, scope, methodology, confidentiality clarification, audit criteria and programmes</li> <li>Organization Representative - Briefing RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB supply bases, Time bound plan, actions taken to address previous audit findings.</li> </ul>	/	/	/	/	/	/
9.15am – 12.30pm	<b>Site observation to Bukit Leelau POM</b> <b>P1, P2, P4, P5, P6, P8</b> <ul style="list-style-type: none"> <li>Verification of basic information mill &amp; estate</li> <li>Confirmation of time bound plan &amp; review of partial certification</li> <li>Occupational safety &amp; health aspects, chemical management</li> <li>Interview with workers, contractors etc.</li> </ul> <b>Site observation to Bukit Leelau POM</b> <b>RSPO Supply Chain 2017</b> <ul style="list-style-type: none"> <li>RSPO Supply chain standard implementation including model requirements</li> </ul>	/					/
	<b>Site observation to Merchong Estate</b> <b>P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>Land titles user rights</li> <li>Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>Interview with workers, contractors etc.</li> </ul>		/				
	<b>Site observation to Mekassar Estate</b> <b>P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>Land titles user rights</li> <li>Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>Stakeholder consultation with affected communities surrounding the CU</li> <li>Interview with gender committee, safety committee, worker representative, contractors, supplier, etc</li> <li>Interview with workers, contractors etc.</li> </ul>			/			
	<b>Site observation to Bukit Leelau Estate</b> <b>P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM,</li> <li>New planting</li> <li>Interview with workers, contractors etc.</li> </ul>				/		



## RSPO PUBLIC SUMMARY REPORT

	<b>Site observation to Deetas Estate</b> <b>P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Inspection of protected sites with HCV attributes</li> <li>• Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone</li> <li>• Environmental management, waste &amp; chemical management</li> </ul>					/	
1.00pm – 2.00pm	Lunch Break / Zuhur prayer						
2.00pm – 5.00pm	Continue assessment at respective sites	/	/	/	/	/	/
<b>Date / Time</b>	<b>Coverage of assessment / Activity / Site</b>	<b>Raouf</b>	<b>Razman</b>	<b>Rahayu</b>	<b>Selva</b>	<b>Zulfakar</b>	
<b>Day 2: 25 September 2018 (Tuesday)</b>							
8.30am – 12.30pm	<b>Site observation to Detas Estate</b> <b>P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM,</li> <li>• New planting</li> <li>• Interview with workers, contractors etc.</li> <li>• Occupational safety &amp; health aspects, chemical management</li> <li>• Interview with workers, contractors etc.</li> </ul>	/			/		
	<b>Site observation to Mekassar Estate</b> <b>P1, P2, P3, P4, P5, P7, P8</b> <ul style="list-style-type: none"> <li>• Land titles user rights</li> <li>• Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>• Interview with workers, contractors etc.</li> <li>• Inspection of protected sites with HCV attributes</li> <li>• Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone</li> <li>• Environmental management, waste &amp; chemical management</li> </ul>		/			/	
	<b>Site observation to Bukit Leelau Estate</b> <b>P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Land titles user rights</li> <li>• Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>• Stakeholder consultation with affected communities surrounding the CU</li> <li>• Interview with gender committee, safety committee, worker representative, contractors, supplier, etc</li> <li>• Interview with workers, contractors etc.</li> </ul>			/			
1.00pm – 2.00pm	Lunch Break						

## RSPO PUBLIC SUMMARY REPORT

2.00pm – 5.00pm	<b>Site observation to Merchong Estate</b> <b>P1, P2, P3, P4, P5, P7, P8</b> <ul style="list-style-type: none"> <li>• Inspection of protected sites with HCV attributes</li> <li>• Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone</li> <li>• Environmental management, waste &amp; chemical management</li> </ul>					/	
	Continue assessment at respective sites	/	/	/	/		
<b>Date/Time</b>	<b>Coverage of assessment / Activity / Site</b>	<b>Raouf</b>	<b>Razman</b>	<b>Rahayu</b>	<b>Selva</b>	<b>Zulfakar</b>	
<b>Day 3: 26 September 2018 (Wednesday)</b>							
8.30am – 12.30pm	<b>Site observation to Mekassar Estate</b> <b>P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Occupational safety &amp; health aspects , chemical management</li> <li>• Interview with workers, contractors etc.</li> </ul>	/					
	<b>Site observation to Detas Estate</b> <b>P1, P2, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Land titles user rights</li> <li>• Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>• Interview with workers, contractors etc.</li> </ul>		/				
	<b>Site observation to Mechong Estate</b> <b>P1, P2, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Land titles user rights</li> <li>• Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>• Stakeholder consultation with affected communities surrounding the CU</li> <li>• Interview with gender committee, safety committee, worker representative, contractors, supplier, etc</li> <li>• Interview with workers, contractors etc.</li> <li>• Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM.</li> <li>• New planting</li> <li>• Interview with workers, contractors etc.</li> </ul>			/	/		
	<b>Site observation to Bukit Leelau Estate</b> <b>P5, P7, P8</b> <ul style="list-style-type: none"> <li>• Inspection of protected sites with HCV attributes</li> <li>• Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone</li> </ul>					/	
1.00pm – 2.00pm	Lunch Break						
2.00pm – 5.00pm	<b>Site observation to Merchong Estate</b> <b>P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Occupational safety &amp; health aspects, chemical management.</li> </ul>	/					

## RSPO PUBLIC SUMMARY REPORT

	<ul style="list-style-type: none"> <li>• Interview with workers, contractors etc.</li> </ul>						
	Continue assessment at respective sites		/	/	/	/	
Date/Time	Coverage of assessment / Activity / Site	Raouf	Razman	Rahayu	Selva	Zulfakar	
<b>Day 4: 27 September 2018 (Thursday)</b>							
8.30am – 12.30pm	<b>Site observation to Bukit Leelau Estate</b> <b>P1, P2, P3, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Occupational safety &amp; health aspects, chemical management.</li> <li>• Interview with workers, contractors etc.</li> </ul>	/					
	<b>Site observation to Bukit Leelau POM</b> <b>P1, P2, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Land titles user rights</li> <li>• Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>• Stakeholder consultation with affected communities surrounding the CU</li> <li>• Interview with gender committee, safety committee, worker representative, contractors, supplier, etc.</li> <li>• Environmental management, waste &amp; chemical management</li> <li>• Interview with workers, contractors etc.</li> </ul>		/	/		/	
	<b>Site observation to Mekassar Estate</b> <b>P1, P2, P4, P5, P6, P7, P8</b> <ul style="list-style-type: none"> <li>• Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM.</li> <li>• New planting</li> <li>• Interview with workers, contractors etc.</li> </ul>				/		
12.30pm – 1.30pm	Lunch Break						
1.30pm – 3.00pm	Continue assessment at respective sites	/	/	/	/	/	
3.00pm – 4.00pm	<ul style="list-style-type: none"> <li>• Verification on outstanding issues</li> <li>• Audit team discussion, preparation on audit findings and issuance of nonconformity report (if any)</li> </ul>	/	/	/	/	/	
4.00pm -5.00pm	<ul style="list-style-type: none"> <li>• Closing meeting – venue at <b>Bukit Leelau POM</b></li> <li>• Presentation of audit findings, positive comment,</li> <li>• Question &amp; answer</li> </ul>	/	/	/	/	/	

## RSPO PUBLIC SUMMARY REPORT

Attachment 3

### RSPO P&C AUDIT CHECKLIST AND FINDINGS

#### Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings					
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	YES	Bukit Leelau POM, Bukit Leelau Estate, Detas Estate and Mekassar Estate, Merchong Estate continued to use the 'Stakeholder Request Procedure' in it IOI Group Social Impact Assessment (SIA) Index 10.0 which is available on its website <a href="http://www.ioigroup.com">www.ioigroup.com</a> . In addition to that on the website, information was also disseminated during meetings.					
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	NO	<div>All requests, complaints or suggestions from internal and external stakeholders related to social, cultural and economic issues and the responses were recorded in the Grievance/Complaints Book (Green Book). However, it has been noted that the information given to CB regarding Certified Area at Bukit Leelau CU since 2017 (Annual Surveillance Audit 2) was not correct as it did not tally with stated Land Title as per table below:<table><tr><td>Estate</td><td>Certified Area (Since 2017)</td><td>Land Title as Per Legal Grant</td></tr><tr><td>Laukin A</td><td>1,564.90</td><td>1,619.90</td></tr></table>Therefore, major NCR was raised in NCR No MAR 01 2018.</div>	Estate	Certified Area (Since 2017)	Land Title as Per Legal Grant	Laukin A	1,564.90
Estate	Certified Area (Since 2017)	Land Title as Per Legal Grant							
Laukin A	1,564.90	1,619.90							
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1	Land titles/user rights (Criterion 2.2);	YES	Publicly available. Cross refer to Criterion 2.2.					
		Occupational health and safety plans (Criterion 4.7);	YES	Publicly available. Cross refer to Indicator 4.7.1.					
		Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	YES	Publicly available. Cross refer to Criterion 5.1 and 6.1.					
		HCV documentation summary (Criteria 5.2 and 7.3);	YES	Publicly available. Cross refer to Criterion 5.2.					
		Pollution prevention and reduction plans (Criterion 5.6);	YES	Publicly available. Cross refer to Criterion 5.6.					
		Details of complaints and grievances (Criterion 6.3);	YES	Grievance book is publicly available. Cross refer to Criterion 6.3.					
		Negotiation procedures (Criterion	YES	Grievance Procedure for Land Owner Issues (incorporated in SIA Management Plan and					

## RSPO PUBLIC SUMMARY REPORT

Clause	Indicators		Comply Yes/No	Findings
		6.4);		Continuous Improvement) is publicly available. Cross refer to Criterion 6.4.
		Continual improvement plans (Criterion 8.1);	YES	Continual improvement plans for Bukit Leelau CU has been reported in the indicator 8.1. The continuous improvement plans was established and updated accordingly by the Executives from the Sustainability Department.
		Public summary of certification assessment report;	YES	The public summary of Bukit Leelau CU had been published in the SIRIM QAS International website.
		Human Rights Policy (Criterion 6.13).	YES	Publicly available. Cross refer to Criterion 6.13.1
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	YES	Policy entitled "Code of Business Conduct & Ethics" dated October 2012 is available and communication to the workforce is evident.

### **Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	YES	In entirety, it was evident that Bukit Leelau CU continued to comply with the applicable local, national and ratified international laws and regulations.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	YES	The Bukit Leelau CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that are applicable to them. Each estate and mill had its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance. The legal registers were updated by the person in-charge and approved by the respective managers. A comprehensive Legal Requirements Register had been established and made available during the assessment at all the visited sites.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	The mechanism was by the implementation of internal audit carried out by its Sustainability Team through evaluation of compliance exercise against the legal register. The latest evaluation was conducted on March 2018 and the evaluation has provided specific result of conformity for each of the operating units against their respective written applicable legal requirements.
	2.1.4	A system for tracking any	YES	The system for tracking changes is defined in "Mechanism of Tracking Law Changes"

## RSPO PUBLIC SUMMARY REPORT

Clause	Indicators		Comply Yes/No	Findings
		changes in the law shall be implemented. Minor Compliance		flowchart. The Sustainability Department is responsible to track any change in the law. Various mediums such as internet, media, updates from association used to track changes.
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised NCR land) and the actual legal use of the land shall be available. Major Compliance	YES	All the visited operating units have the copies of their land titles kept at their administration office. Bukit Leelau CU owned the land as it was leased and bought from the previous land owner, the Pahang State Government. Based on the interviews and this audit finding, it has been confirmed that there was no such case concerning the rights of local communities and indigenous peoples at Bukit Leelau CU.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	YES	It was evident that the boundary marks were located and visibly maintained in relevant locations at Bukit Leelau CU.
	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 FPIC. Minor Compliance	YES	Based on minutes of stakeholder interviews carried out in Sept 2018 at the CU, it confirmed that there was no evidence of a legitimately contested right to use the land.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance	YES	There was no significant land conflict and evidence of land claim at Bukit Leelau CU. Cross refer to Criterion 6.4.3.
	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. Minor Compliance	YES	There was no significant land conflict and evidence of land claim at Bukit Leelau CU. Cross refer to Criterion 6.4.3.

## RSPO PUBLIC SUMMARY REPORT

Clause	Indicators		Comply Yes/No	Findings
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	YES	There was no evidence that oil palm operations have instigated violence. Instead, peace and order was being maintained in the Bukit Leelau CU current and planned operations.
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior, and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights shall be developed through participatory mapping involving affected parties. Major Compliance	YES	Evidence of ownership (cross refer to Criterion 2.2) was sighted. Currently, there is no disputes on land rights.
	2.3.2	Copies of negotiated agreements detailing the process of FPIC 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;	YES	There was no significant land conflict and evidence of land claim at Bukit Leelau CU. Cross refer to Criterion 6.4.3.
	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;	YES	There was no significant land conflict and evidence of land claim at Bukit Leelau CU. Cross refer to Criterion 6.4.3.
	c)	Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted	YES	There was no significant land conflict and evidence of land claim at Bukit Leelau CU. Cross refer to Criterion 6.4.3.

## RSPO PUBLIC SUMMARY REPORT

Clause	Indicators		Comply Yes/No	Findings
		by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	YES	There was no significant land conflict and evidence of land claim at Bukit Leelau CU. Cross refer to Criterion 6.4.3.
	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	YES	There was no significant land conflict and evidence of land claim at Bukit Leelau CU. Cross refer to Criterion 6.4.3.

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

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (minimum three years) shall be documented. That includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	IOI Corporation Berhad continued to have documented business plans with projections until the financial year 2022/2023. At the estates, the budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance, etc. Attention was given to crop projection, cost of production, cost per ton and per hectare indicators to monitor the performance of each operating unit. The cost of production was reviewed and compared against expenditure each year with projections in place for future years.
	3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, shall be available. Minor Compliance	YES	Bukit Leelau CU had a Long Range Replanting Program up to 2026/2027. The program was reviewed annually. However, there is no replanting for the next 5 years in all estates visited. The last replanting is in 2018/2019 (190Ha) on Bukit Leelau Estate.



## RSPO PUBLIC SUMMARY REPORT

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	NO	Bukit Leelau CU adopted the following documented manuals and documents as their standard operating procedures: Standard Operating Procedures (StOP), Safe Operating Procedure (SaOP), Group Environmental Impact Assessment and Management Action Plans (GEIA), IOI Group Policy Documents and Oil Palm Agricultural Policy (OPAP) July 2005. However, SOP for peat soil maintenance was not fully established. On Bukit Leelau Estate SOP to monitor subsidence of peat soils was not available, thus the Major NCR STK 01 2018 was issued.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	NO	On Estates the managers were accountable to check on consistent implementation of procedures. However, at time of the visit, it was noted that the compliance to the Standard operating procedure (SOP) Appendix 13b – Procedure 'Kerja Selamat Pemandu Traktor' was not demonstrated. On Bukit Leelau Estate and Detas Estate wheel bolts and nuts were found to be missing from a number of tractor trailers. Thus the Minor NCR STK 02 2018 was issued.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	Relevant records on implementation and monitoring of StOP, OPAP etc at the CU were clearly verified. Among the records sighted were: Program sheets, Field cost books, Plantation Controller reports, Agronomic reports, Audits by Sustainability Officers, Harvesting Interval records, Rat baiting records, Fertiliser application records, Monthly Progressive Reports, scheduled wastes records, PPE Checklist etc.
	4.1.4	The mill shall record the origins of all third-party sourced FFB. Major Compliance	YES	The mill did not receive any uncertified FFB since this CU is under Identity Preserved Model.
C 4.2 Practices maintain soil fertility at or, where possible, improve oil fertility to a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	Bukit Leelau CU practiced the maintenance of long-term soil fertility by annual application of fertilizer based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields), EFB application and solid POME application in some fields. During replanting palms were felled, chipped, windrowed and left to decompose in the field. Fertiliser application, which was of paramount importance for maintenance of soil fertility, was carried based on the recommendation made by the Agronomist of IOI Research Centre located in Batang Melaka, Negeri Sembilan. Annual fertiliser recommendations were made based on annual foliar sampling and soil sampling.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Fertiliser application program was monitored using records like program sheets, bin cards, field cost book, Fertiliser Application monitoring forms, etc. Records of programs and applications of fertilisers were made available to auditors.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes	YES	From the Agronomist reports it was established that in all estates annual foliar and soil sampling to monitor changes in nutrient status had been carried out. The results of the foliar and soil analysis formed the basis for the fertiliser recommendations to maintain and to improve soil

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Clause	Indicators	Comply Yes/No	Findings
	in nutrient status. Minor Compliance		fertility. The latest sampling in Bukit Leelau Estate and Detas was carried out in July 2018, Merchong Estate in March 2018 and Mekassar Estate in May 2018.
	4.2.4 A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues. Minor Compliance	YES	All 4 Estates visited had a nutrient recycling strategy in place which included stacking pruned fronds in the respective fields to decompose, grass cutting harvesters paths and letting the cut mass to decompose in the field, EFB mulching and application of Solid POME. In addition, during replanting, palms were felled, chipped, windrowed and left to decompose.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance	YES	Based on the soils maps, there were no fragile/marginal soils in all estates except on Bukit Leelau Estate which had 98Ha of peat soils. The soil maps came with description of the soils characteristics such as texture, depth, drainage, parent material and key aspect for management.
	4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	YES	Bukit Leelau CU continued to comply with the management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. In Bukit Leelau CU the undulating and hilly areas were terraced. It was also observed that practices to minimise and control erosion and degradation of soils were also advocated through proper stacking of fronds, EFB application, avoidance of blanket spraying, road maintenance and maintenance of soft vegetation in interlines. No bare ground was sighted during the visit.
	4.3.3 A road maintenance programme shall be in place. Minor Compliance	YES	During the field visit, it was noted that the road conditions were well maintained in all estates. Accessibility were made possible by regular maintenance guided by its road maintenance programmes. Surface run off water from roads were well directed into fields and drains with well cambered roads and road sided drains.
	4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	YES	Bukit Leelau Estate had 98 Hectares of peat soils in 5 separate blocks as shown in the soil map. It was observed during the visit to the peat areas in Bukit Leelau Estate that Water level markers to measure water levels in drains and piezometers to measure ground water levels had been installed and records of correct readings had been taken. Water management was carried out using sand bag bunds and water markers.
	4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	YES	The only plantings on peat soils on Bukit Leelau Estate are not due for replanting now. Hence, the drainability assessments were not necessary and not yet conducted.
	4.3.6 A management strategy shall be in place for other fragile and problem soils. Minor Compliance	YES	There was no other fragile and problem soils in the 4 estates except for peat soil in Bukit Leelau Estate.

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Clause	Indicators		Comply Yes/No	Findings
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place. Minor Compliance	YES	The CU maintained its water management plans. The plans were periodically review. The last review was in Sept 2018. The water management plans contain soil water abstraction, treatment, storage, monitoring, conservation, pollution prevention, wastewater treatment and discharge as well as domestic usage. Domestic usage was monitored using flow meters in Bukit Leelau CU. Though there was no shortage of water for domestic use in all estates, awareness was created among the workers and staff to save water through verbal reminders. Water spillage during pre-mixing of chemicals, from washing of PPE and from triple rinsing was collected from in sumps and recycled for spraying.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones shall be demonstrated. Major Compliance	YES	Bukit Leelau Estate, Detas Estate, Merchong Estate and Mekassar Estate had continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways within the estate. During the site audit at the estates, it was noted that buffer zones were allocated along the natural waterways. Signage and red paint on oil palm trunk were used as demarcations of the buffer zones. The width of the buffer zone varies depending on the width of the river in accordance to the DID specifications. The boundary marker for buffer was sufficient and maintained. It was clear that IOI had a policy to maintain the buffer by restricting agrochemicals application. There was no sign of agrochemicals applied.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations. Minor Compliance	YES	Site visit at effluent treatment plant and interview with operator in charge was revealed the operation was in accordance with standard operation procedure and legal requirements. No sight of effluent over flow and flow meter reading was recorded daily. Bukit Leelau POM records of water monitoring for DOE submission were available for viewing. Bukit Leelau POM DOE licence is for waterways and the requirement is for the BOD to be less than 100 mg/l. The BOD results was below than the stipulated limit of 100 mg/l.
	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	YES	Processing water obtained from water catchment area, the use of water in the mill was monitored on monthly basis.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	YES	There was a documented IPM system in place at all estates. The IPM program among others included pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and wild boar. The IPM technique for rats included rearing barn owls ( <i>tyto alba</i> ), bagworm control included the planting of beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subulata</i> and for rhinoceros beetles was by using pheromone trap. The implementation was monitored by rat damage, bag worm attack, barn owl population census and records on planting beneficial plants. The major pest attack is by bagworms in both estates. Attack in young palms field was treated/controlled with <i>cypermethrin</i> .
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	YES	Records showed that training of those involved in IPM implementation was evident. Trainings were carried out in Jan, Feb, Mar & July 2018.

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Clause	Indicators		Comply Yes/No	Findings
C 4.6 Pesticides are used in ways that do not endanger health or the environment.	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	YES	Justification of all pesticides used had been documented in Standard Operating Procedure on Sustainability. The use of selective products that are specific to the targeted weed had been provided accordingly.
	4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) shall be provided. Major Compliance	YES	All estates had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, cost books and in progress reports
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with IPM plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	YES	Bukit Leelau CU continued to plant nectariferous beneficial plants ( <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera sublata</i> ) as part of the IPM plan. Nurseries were available for continuous planting to reduce use of insecticides on bagworms and for control of rats included rearing barn owls ( <i>tyto alba</i> ). EFB was applied in single layers in order to prevent the breeding of Rhinoceros beetles. In flat and undulating areas where Oil Palm had been planted on un-terraced areas, harvesting paths were grass cut to control noxious weeds. Furthermore, spraying of weeds was carried out as programmed and control of other leaf using pesticides only when pest outbreak was above thresh hold levels.
	4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan,	YES	All pesticides used were those officially registered under the Pesticide Act 1974. Bukit Leelau CU had used Class 1, Class 2, Class 3 & Class 4 pesticides. No illegal agrochemicals (stated by local and international laws) in particular paraquat were used or found.

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Clause	Indicators	Comply Yes/No	Findings
	and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance		
	4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers. Major Compliance	YES	Pre-mixing of agrochemical was practiced at the estate stores for delivery to field. This is to avoid human exposure to concentrated chemicals and it was confirmed that no in-field mixing of agrochemicals by sprayers were observed. The pre-mixing was done by the Mandore. All staff and workers such as the storekeeper, mandores, sprayers, fertilizer applicators and rat bait applicators who handled, used or applied pesticides had been trained and they had understood of the hazards and how to handle the chemicals in a safe manner. The trade and generic names of the chemicals and the precautions attached to the products were made known to the workers through the SDS training. All of them were given PPE and instructions on its use were demonstrated in the SaOP. They were told to wash their PPE at the pesticide mixing area in a specially constructed wash area. This eliminated the need to take their PPE home and therefore avoid the risk of cross contamination with family members.
	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. Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	YES	During the audit it was observed that the storage of chemicals used by the estates were stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. The stores were pad locked, posted with safety signages requiring those entering to wear respirator, goggle, safety shoes and gloves. The stores are ventilated. Liquids pesticides were placed in secondary containment to contain spillage occurrence, if any. Only authorized personnel have access to the chemical store.

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Clause	Indicators	Comply Yes/No	Findings
	4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	The Safety Procedures for pesticides application were well described in the company SOP. In addition to the Safety Procedures, Safety Data Sheet information of each chemical had been made known through training with emphasis on its danger, precautionary measures to be observed including the use of PPE.
	4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	YES	Aerial spraying was not practiced in Bukit Leelau Estate, Detas Estate, Merchong Estate and Mekassar Estate and there was no evidence to show that any had been carried out.
	4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide-handling shall be demonstrated or made available. Minor Compliance	YES	The Bukit Leelau Palm Oil Mill did not purchase any smallholders crop and therefore training on pesticides handling for them is not applicable. The mill processed FFB from IOI own estates.
	4.6.10 Proper disposal of waste material, according to procedures that are fully-understood by workers and managers shall be demonstrated. Minor Compliance	YES	The CU waste management and disposal plan had included identifying and monitoring sources of waste and pollution. Wastes were managed in accordance to waste management and disposal plan, which is documented in the Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plans, which covered each operating unit.
	4.6.11 Specific annual medical surveillance for pesticide operators, and doc action to treat related health conditions shall be demonstrated. Major Compliance	YES	Bukit Lelau POM, Bukit Leelau Estate, Detas Estate, Merchong Estate and Mekassar Estate continued practiced specific annual medical surveillance for chemical handler and pesticide operators, and documented action to treat related health conditions. Medical Surveillance was carried out as recommended in the CHRA conducted by an approved consultant. The results confirmed that the selected personnel is fit to work.
	4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	YES	No work with pesticides undertaken by pregnant or breast-feeding women, hence the evident through medical surveillance report that the workers had gone through, none of them were female.

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Clause	Indicators		Comply Yes/No	Findings
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented. The occupational health and safety plan shall cover the following:	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	YES	The CU continued adopting the IOI Group's Occupational Safety and Health Policy, updated in March 2018. The policy had been communicated to all employees through briefings and being displayed on the estates and mill notice boards. A safety and health plan for each estate and a safety management plan for the mill had been established, implemented and monitored monthly. In addition to the OSH Policy, the CU adopted a specific document for safety known as Safe Operating Procedure (SaOP). The objective was a safe working environment and therefore Supervisors and Mandores kept reminding them of the need to always be on the look-out for hazards and the avoidance of risks. Random interviews with employees showed that they generally understood the basic requirements of the policy and the Safe Operating Procedure. The visited sites showed that the OSH rules were adhered to by employees such as wearing of PPE and following safety signage.
	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	YES	The OSH plan sighted had continued to address among others issues related to HIRARC, emergency preparedness, response and recovery, treatment of illness/injury during the job, compliance with USECHH Regulations 2000, HIRARC register was reviewed annually and updated accordingly as in the case in determining controls following an occurrence of accident.
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices. Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	YES	Safe working practices training to all workers involved in field operations were given as mentioned above in 4.7.1 and in criterion 4.8. Adequate and appropriate protective equipment were sighted made available and don by workers at the place of work visited. Among them were safety boots, helmets, goggles, ear plugs, rubber and cotton gloves, aprons and breathing masks. They were provided for hazardous operations like pesticide application, harvesting, machine operations at workshop, raw water treatment, driving of tractors and lorries, FFB Grading, etc. At the mill similar requirements to use the PPE was prominently displayed near each work station.
	4.7.4	The responsible person/s shall be identified. There shall	YES	The Mill and respective Estate Manager have responsibilities and duty of care for OSH in their areas where they have control and influence. These managers had appointed their mill engineer

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Clause	Indicators	Comply Yes/No	Findings
	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		and assistant estate manager and cadet officers to assist and also be responsible for the OSH implementation. Continuing the practice the mill and estates hold quarterly OSH meetings to discuss OHS matters. The discussions include the following: (i) Passing of previous minutes and arising matters, (ii) Monthly Accident statistics, (iii) Workplace Inspection and (iv) Safety programme & training.
	4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	NO	The accident and emergency procedures were maintained and instructions were clearly understood by all workers. The assessor tested them to confirm their understanding which was found good. Trained First Aiders and provided with First Aid Kit were present at mill and estates assessed. Contact numbers of mandore office personnel and emergency service providers were sighted and found correct. Emergency response team for 2017/2018 was established with the manager be a commander. The emergency response procedure and flowchart were pasted at designated areas. These numbers were also seen displayed at estate and mill offices. On-going monitoring of OSH performance was visible as evidence by accident scoreboard been made available at the mill and estates office and updated regularly to show the current OSH performance status. In addition to the above, records of accident including investigation report and forms JKPP 6, 7 and 8 were maintained by Bukit Leelau CU. However, upon checking, it has been confirmed that accident and emergency procedures in Mekassar and Merchong Estate were not available for pesticide poisoning. Therefore, minor NCR was raised in NCR no. MAR 02 2018.
	4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	Bukit Leelau CU continued to provide medical care and cover their workers by accident insurance. All local workers were covered by SOCSO as required under the Employee's Social Security Act 1969 while all foreign workers were covered by insurance (see table below) as per the Workmen Compensation Act 1952.
	4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	The CU continues to monitor the occupational injuries using LTA metrics for the year 2017. The records were available during the assessment and were verified by the auditor.
C 4.8 All staff, workers, smallholders and contract workers are	4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and	NO	A documented formal training programme 'Sustainability Program for the Year 2018' and records that covered aspects of RSPO Principles and Criteria was made available to the auditors. However, there was no evidence to show that assessment for training needs and formal training program for Standard Operating Procedures of estate operations like harvesting standards,



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Clause	Indicators		Comply Yes/No	Findings
appropriately trained.		that includes regular assessments of training needs and documentation of the programme. Major Compliance		pruning standards, manuring, weeding, etc. had been covered. Therefore, major NCR was raised in NCR No. STK 01 2018.
	4.8.2	Records of training for each employee shall be maintained.Minor Compliance	YES	Records of employees trained were made available to auditors. Relevant trainings were conducted appropriately.

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

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	5.1.1	An environmental impact assessment (EIA) shall be documented. Major Compliance	YES	Bukit Leelau CU has established its environmental aspects / impacts register associated with their activities. Environmental aspect and impact which covers from upstream activities such as FFB reception until downstream processes was sighted during assessment. Established for July 2015 to June 2020 and it has been reviewed in Aug 2018. Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the most significant environmental receptors are the boiler stack emission which associated with air emission, POME discharge and land contamination which related to managing the schedule waste and general waste. For the estate operation, all activities from harvesting, pest and disease, upkeep programmed until delivery to mill has been identified.
	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/s. Minor Compliance	YES	Environmental Impact Assessment, Management Action Plans & Continuous Improvement Plans was used to identify Aspect & Impact and take necessary action has been in Aug 2018. Among the pollution prevention being identified are control of black smoke emissions, monitoring water course, Schedule Waste and effluent discharge monitoring. Sighted records of monitoring by the mill. As for the estates, the pollution prevention being identified are control of black smoke emissions, monitoring water course and Scheduled Waste. No changes were made to the environmental aspects and impacts or current practices which require changes in the environmental action plans. Nevertheless, the existing environmental action plans had identified timeframes and responsible person at each operating unit assessed.
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of	YES	Environmental Impact Assessment, Management Action Plans & Continuous Improvement Plans'fro the mill was to monitor the effectiveness of the mitigation measures taken, are in place. The following indexes are being monitored: Black Smoke Monitoring, Effluent Discharge Monitoring, Monitoring Water course, Centralized collecting Schedule Waste and Centralized collecting Domestic waste. Performance and records has been verified by auditor, noted to be

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Clause	Indicators		Comply Yes/No	Findings
		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		satisfactory. For the estate, the Environmental Impact Assessment, Management Action Plans & Continuous Improvement Plans to monitor the effectiveness of the mitigation measures taken, are in place. The following indexes are being monitored: Fertilizer Monitoring, Vehicle Monitoring, Monitoring Water course, Chemical monitoring, Harvesting monitoring and Centralized collecting Schedule Waste. Performance and records are verified, noted to be satisfactory
C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.	5.2.1	Info shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape-level considerations. Major Compliance	YES	The HCV Assessment Report for all estates were available for review.
	5.2.2	Where RTE species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	YES	The HCV Management Action Plans and Continuous Improvement Programme for the estates were made available for review and relevant program for the monitoring of stream and river and worshipped area for surau and temple.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance	YES	Awareness training pertaining HCV and RTE were provided to staff and workers. Among other, the training contain information about legal and disciplinary actions if found guilty. All the visited estates conducted the training programme on HCV and ERT by annually.

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Clause	Indicators		Comply Yes/No	Findings
	5.2.4	Where an action 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 action plan. Minor Compliance	YES	There were no RTE reported present in the supply bases. However, the supply bases continued implement action plans such as to conserve the identified areas, boundary monitoring, and buffer zone awareness to staff and workers.
	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	YES	There was no HCV observed set-aside due to existing rights of local communities at Bukit Leelau, Detas, Merchong and Mekassar.
C 5.3 Waste is reduced, recycled, re-used, and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	YES	Bukit Leelau CU has identified all wastes and sources of pollution. Environmental Impact Assessment, Management Action Plans & Continuous Improvement Plans were established to mitigate and control the identified wastes and source of pollution.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	Among the identified wastes include empty chemical containers including pesticides containers. Empty agrochemical containers were disposed responsibly. They were triple rinsed, pierced and stored in scheduled waste store prior to dispose as scheduled waste. Records of inventory and disposal were evident. Records of empty pesticide containers and its disposal were maintained by the mill and respective estates.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented & implemented. Minor Compliance	YES	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented as discussed in Indicator 5.1.3 above. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation.
C 5.4 Efficiency of fossil fuel use and the use of renewable energy	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in	YES	To Reduce Diesel usage in the mill – by maintenance of the boiler & machineries to ensure at optimum level, to monitor diesel usage, provide training to workers regarding reduce fuel and diesel usage for boiler.

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Clause	Indicators		Comply Yes/No	Findings
is optimised.		place and monitored. Minor Compliance		<p>As for the estates: High usage of fossil fuel for machineries:</p> <ul style="list-style-type: none"> <li>to carry out scheduled maintenance for machineries to ensure diesel and lubricant usage is at optimal level and in good condition.</li> <li>to brief workers during muster briefing on how to reduce diesel usage. Example turn off engine when not in used.</li> <li>to carry out road maintenance programme as planned to ensure it is always in good condition to ease tractor movement</li> </ul> <p>Skid tank management:</p> <ul style="list-style-type: none"> <li>to ensure all equipment for loading and unloading diesel in good condition. to ensure no spillage and leakages to ensure nozzle is always locked when not in used to avoid unauthorized diesel filling.</li> <li>For all Estates Tractor Service Program and Road Maintenance Program were seen implemented in estate to improve efficiency of usage of fossil fuels. Monthly records of monitoring of fossil fuels and renewable energy were sighted available. Diesel usage in mill continued monitor in liter/FFB processed.</li> </ul>
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003. Major Compliance	YES	IOI Plantation had a policy of no burning during replanting under Environmental Management in the Sustainability Policy Statement. All estates visited had not practiced any opening burning and there was no evidence to show that fire had been used for preparing land for replanting.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003. Minor Compliance	YES	The CU had not practiced any opening burning and there was no evidence to show that fire had been used for preparing land for replanting at Detas and Bukit Leelau.
C 5.6 Preamble Growers and millers commit to reporting	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions	YES	An assessment of identified polluting activities was being conducted and monitored at the Bukit Leelau mill and at estates of Bukit Leelau, Detas, Merchong and Mekassar. Pollution Identification Environmental improvement action plan was used to identify the waste products and sources of pollution and being reviewed accordingly.

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Clause	Indicators		Comply Yes/No	Findings																																												
on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions. Growers and millers commit to an implementation period until the end of Dec 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including		and effluent (see Criterion 4.4).		At the mill they include gaseous emissions, particulate / soot emissions, effluent discharge and the scheduled wastes and domestic wastes. For estates, the significant environmental receptors to soil were pesticides (spillage), to air were use of fertilisers, diesel / petrol / lubricant consumed by farm tractors and FFB vehicles, motorised road graders. Others include electricity usage, domestic waste dumped at own operated landfill.																																												
	5.6.2	Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	YES	Environmental Pollution and Greenhouse Gas Management Plan – is used to identify the waste products and sources of pollution and actions taken to mitigate and reduce them are in place and are being reviewed accordingly.																																												
	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	YES	<p>The CU had used RSPO Palm GHG version 3.0.1 Calculator as a tool to calculate the GHG emissions. The CU has used option 2 full version to calculate the data. Sighted report sends to RSPO in Sept 2018. The input data was verified, and the following were determined:</p> <p>Summary of Net GHG emission:</p> <table><tr><td>Emission sources</td><td>tCO2e/tonProduct</td><td>Extraction</td><td>%</td></tr><tr><td>CPO</td><td>2.31</td><td>OER</td><td>23.01</td></tr><tr><td>Fuel PK</td><td>2.31</td><td>KER</td><td>4.63</td></tr></table> <table><tr><td>Production</td><td>t/yr</td></tr><tr><td>FFB processed</td><td>197495.04</td></tr><tr><td>CPO produced</td><td>45,442.48</td></tr></table> <table><tr><td>Land use</td><td>Ha</td></tr><tr><td>OP planted area</td><td>9878</td></tr><tr><td>Op planted on peat</td><td>89</td></tr><tr><td>Conservation (forested)</td><td>0</td></tr><tr><td>Conservation (non forested)</td><td>21.31</td></tr><tr><td>total</td><td>9899.31</td></tr></table> <p>Mill emissions:</p> <table><tr><td>Emission sources</td><td>tCO2e</td><td>tCO2e/tFFB</td></tr><tr><td>POME</td><td>38712.37</td><td>0.2</td></tr><tr><td>Fuel consumption</td><td>1547.48</td><td>0.01</td></tr><tr><td>Grid electricity utilisation</td><td>0</td><td>0</td></tr><tr><td>Export of excess electricity to</td><td>0</td><td>0</td></tr></table>	Emission sources	tCO2e/tonProduct	Extraction	%	CPO	2.31	OER	23.01	Fuel PK	2.31	KER	4.63	Production	t/yr	FFB processed	197495.04	CPO produced	45,442.48	Land use	Ha	OP planted area	9878	Op planted on peat	89	Conservation (forested)	0	Conservation (non forested)	21.31	total	9899.31	Emission sources	tCO2e	tCO2e/tFFB	POME	38712.37	0.2	Fuel consumption	1547.48	0.01	Grid electricity utilisation	0	0	Export of excess electricity to	0
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Clause	Indicators		Comply Yes/No	Findings						
greenhouse gases, are developed, implemented and monitored.				housing						
				Sale of PKS			0		0	
				Sale of EFB			0		0	
				Total			40259.85		0.2	
				Estate emissions:						
				Description	Own			3 <sup>rd</sup> Party		
					tCO2e	tCO2e/ha	tCO2e/tFFB	tCO2e	tCO2e/ha	tCO2e/tFFB
				Land conversion	150135.21	15.47	0.76	0	0	0
				CO2 emission from fertiliser	9948.35	1.03	0.05	0	0	0
				N2O emission	8235.91	0.85	0.04	0	0	0
				Fuel consumption	1378.6	0.14	0.01	0	0	0
				Peat Oxidation	4742.53	0.49	0.02	0	0	0
				Crop sequestration	-88798.44	-9.19	-0.45	0	0	0
				Sequestration in conservation area	0	0	0	0	0	0
				Total	85642.16	8.79	0.43	0	0	0
				Palm oil mill effluent (POME) treatment:						
				Divert to compost			0			
				Divert to anaerobic digestion			0			
				POME diverted to anaerobic digestion:						
				Diverted to anaerobic pond			100			
				Divert to methane capture (flaring)			0			
				Divert to methane capture (electricity generation)			0			

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

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	YES	The SIA for Bukit Leelau CU has been revised in August 2017 titled 'Social Impact Assessment, Management Action Plans and Continuous Improvement Plans for June 2015 – June 2020' for Bukit Leelau POM, Bukit Leelau, Laukin A, Leepang A, Merchong, Detas and Mekassar Estates. The CU social aspect encompasses socioeconomic, grievances, traditions, corporate social responsibility and also compliance with relevant laws and regulations.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	YES	Relevant external and internal stakeholders were invited for stakeholders meeting. Latest meetings in the estates were conducted between July to Sept 2018. The objective of the meeting was to address any social impact, which may arise from the activities of the estate. Based on verification of meeting minutes and interview with some of the stakeholders, there was no major issue raised by the stakeholders.
	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	YES	The positive and negative impacts found from the SIA Action Plan, external and internal stakeholders consultation meeting were recorded in SIA report. In the record, there is information about social impacts (both positive and negative), action plans time bound, management reviews and person in-charge. Action plan with responsibilities for mitigating and monitoring the impacts identified in the assessment was established. Records of actions taken to monitor and overcome the negative impacts were available and updated during stakeholders meeting.
	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	YES	Progress of action plan was monitored by the management annually, after the stakeholders meeting. Recent reviewed was carried out in Aug 2018.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance	YES	There was no smallholder scheme in CU.
C 6.2 There are open and transparent methods for communication	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	YES	Consultation and communication procedure for Bukit Leelau CU is outlined in 'Stakeholder Request Procedure', 'Grievances Reporting Flow Chart' and 'Grievance Procedure For Land Owner Issues'. According to the procedure, any communication from the public will be responded within 5 working days.

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Clause	Indicators		Comply Yes/No	Findings
and consultation between growers and/or millers, local communities and other affected or interested parties	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	YES	
	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	YES	The estates have reviewed their stakeholders list between May and July 2018.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties	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 whistle blowers, where requested. Major Compliance	YES	The procedure includes the mechanism of receiving, recording and addressing any complaints/grievance from affected parties. Bukit Leelau CU keeps a Grievance/Complaints Book. The aggrieved parties could either fill in the complaint form in the Green Book or submit the complaint verbally to anyone in the main office or to the responsible official on social issues or to the workers' representatives or gender representatives who would then fill in the complaint form on their behalf. With regards of ensuring anonymity of complainants or whistle-blowers, IOI has its 'Whistle-blowing Policy' revised Nov 2017.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	YES	Review of the Green Book/Complaints Book at the visited operating units showed that the system was effective to resolve complaints and disputes in an effective, timely and appropriate manner.
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to	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	YES	A procedure entitled "Grievance Procedure for land owner issues" is available and documented. It identifies legal and customary rights and also identifies people entitled to compensation. The procedure also includes handling land ownership issues, boundary stones and squatter issues and all related to the process of identifying legal and customary rights and the compensation that they are entitled to.
	6.4.2	A procedure for calculating and distributing fair compensation shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the	YES	The Procedure for calculating and distributing fair compensation had been established in the 'Grievance Procedure For Land Owner Issues'. According to the procedure, the calculation and distribution of compensation would be carried out at the company level, and not at the estate/mill level. However, there has been no claim for compensation made against the CU, and as such, there is no record of implementation.



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Clause	Indicators		Comply Yes/No	Findings
express their views through their own representative institutions.		power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance		
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	YES	Based on minutes of stakeholders interviews at estates in Sept 2018, it confirmed during stakeholder interviews that there was no evidence of a legitimately contested right to use the land. There was no land conflict and evidence of land claim.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES	Documentation of pay throughout Bkt Leelau CU is documented in monthly pay slips given out to all employees. The pay slips contain details such as name of production unit, name of employee, month of pay, field work wages, overtime, medical leave pay, number of days worked, deductions, and net pay. Briefings on how to understand the payslips were also given when the workers first arrived, followed by annual revisions.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	NO	<p>The pay and work conditions were stated and documented in the Letter of Employment given to all workers and staff at the CU. Auditor has verified contract of employment for foreign workers from Nepal, Indonesia, Bangladesh, India, and Myanmar. The contract is written in the language that is fully understood by the workers in order to avoid confusion or even charges of differential treatment.</p> <p>However, the following non-compliances were discovered during the audit:</p> <p>Written permission or salary deductions from the Pahang Labour Office dated 23/1/2017 (Ref: JTK.PHG.600-2/11/Jld 2 (21) was duly sighted and verified.</p> <ol style="list-style-type: none"> <li>1. However, at Mekassar Estate, workers' salaries were deducted for electricity. However, there is no request in writing by the said employees for such deductions to be made.</li> <li>2. Workers' contracts of employment do not contain a provision for termination and period of notice.</li> <li>3. Workers' contracts had already expired and not renewed.</li> <li>4. Workers' contracts of employment do not contain a mutual termination clause.</li> <li>5. Female weighbridge attendant worked until 11.30PM on 15/9/2018 without written exemption in writing from the Labour Office.</li> </ol> <p>Therefore, a Major Non-Compliance NCR RZ 01 2018 was raised.</p>

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Clause	Indicators		Comply Yes/No	Findings
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in acc. with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible. Minor Compliance	YES	The mill and estates i.e. Bt. Leelau, Mekassar and Merchong have received licensed from SPAN to supply and provide treated water within estate compound for three (3) years. State government has granted license for usage of treated water. Staff and workers lived together at the estates' quarters. The treated water was sent to third party for testing and the test results found to be in compliance with the WHO standard limits. Weekly inspection for workers housing had been conducted accordingly. Electricity supply for the workers are 100% from TNB and no charge is incurred from workers.
	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	YES	The CU has monitored of the goods price at the mill's canteen, health of food operator, cleanliness, license/permit and goods. Discussion on the condition of the canteen with the operator also had been conducted in order to improve their services as verified through meeting minute titled 'Mesyuarat Kantin'. There was a sundry shop to facilitate its workers access to adequate, sufficient and affordable food and other basic needs. Monitoring of the goods price, health of food operator, cleanliness, license/permit and goods was done accordingly. There was no negative feedback from both parties.
C 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	YES	Statement of freedom of association was made publicly available at the office and worker's quarters noticeboard titled 'Equal Opportunity Employment and Freedom of Association Policies' as verified at Bukit Leelau CU.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	The Company has established a Joint Consultative Committee which is chaired by the Manager. The JCC comprise representatives from management and workers. The workers' representatives were nominated through an election process by the workers themselves. The JCC meets once every two months.

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Clause	Indicators		Comply Yes/No	Findings
C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	YES	It is also stated in the employment letter (contract agreement), Clause 19, that the age limitation for employment is 18 to 40 years old. Although there is an announcement made by the Immigration Dept. portal that the recruitment age shall be between 18 to 45 years old, IOI HR Dept. choose to put 18 to 40 years old only because the company wants to fully utilize the 5 years' validity of the passport.
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	YES	Equal opportunity policy is available titled 'Equal Opportunity Employment and Freedom of Association Policies'. These were displayed at the main notice boards and at the workers' housing. The Policy states that there will be no discrimination based on race, national origin, religion, gender, union membership and age. Interviews with workers also confirmed that they are given equal opportunities.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	YES	Job openings were made available to any qualified person regardless of their socio-cultural, political or gender background. All workers (local or migrant, male or female) were covered by the same pay and conditions of employment associated with the jobs they are hired for. The workers and staff were not discriminated against in any way and their rights not infringed, in accordance with Human Rights Commission of Malaysia Act 1999 (Act 597).
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	YES	Based on interviews with the estates and mill management and documentation review (interview assessment and medical report), recruitment selection, hiring and promotion are based on suitable job vacancies, experience, qualification/skill and medical fitness appropriate for the job. Candidates submit their application forms followed by interview assessment and medical check-up. Annual appraisal forms are used to determine the employee's skills and capabilities.
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	There was a published policy entitled on "Policy on Harassment at Workplace". This policy was reviewed in July 2018 and made available to employees in Bahasa Melayu, English and other languages spoken and understood by the employees.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	A policy to protect the reproductive rights of all, especially of women is available in the "Protection of Reproductive Right Policy". The communication of the policy was through various media such as display on notice board and briefings.
	6.9.3	A specific grievance mechanism which respects anonymity and	YES	A specific grievance mechanism which respects anonymity and protects complainants where requested is available. There is also a workflow for the Sexual Offence Complaints

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Clause	Indicators		Comply Yes/No	Findings
		protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance		which communicates a better understanding of the complaint process. Anonymity is assured via the Company's Whistleblower policy. Based on interviews conducted, female employees are aware of the avenue and mechanism for lodging an anonymous complaint
C 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for FFB shall be publicly available. Minor Compliance	YES	Bukit Leelau POM did not receive any third party crop. However, details of FFB prices based on MPOB pricing are available.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented. Major Compliance	YES	The Mill only receives FFB from its own supply base and has not commenced sourcing FFB from external parties. Therefore, this Indicator is not yet relevant to Bt. Leelau CU.
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	YES	It was evident that the required information had been explained i.e. the term of services and content of contract, to relevant parties and they understand the contractual agreements and agreed that the contracts are fair, legal and transparent. All parties keep the contract agreement as reference.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	NO	Interviews with suppliers and contractors revealed that the estates/mill treat them very well. The contracts are amenable to changes, particularly on the timing on job completion. They usually received their payments in the form of cheques the following month after the job was done. However, it was noted that the contract between Detas Estate and a JCB contractor started from 1/7/2018 – 30/6/2019. And payment from the estate to contractor was made by monthly with latest payment was made on 10/9/2018 (2 <sup>nd</sup> week of subsequent month) for August 2018 job. However, the contract agreement did not clearly stated the agreed payments period. Thus, a Minor NCR MRS 01/2018 was raised.
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	YES	Among the contributions to local development included widening the bridge used by the Orang Asli in nearby village, deepening the stream to allow them to rear fish, providing free medical treatment and job opportunities to the Orang Asli.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	YES	There was no associate scheme smallholders in the CU.

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Clause	Indicators		Comply Yes/No	Findings
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	YES	The visited operating unit has its own database for all its workers. Based on interview with workers, field observations, review of the employment contracts, records of wages, overtime payments, there is no evidence of any form of forced or trafficked labour. In addition, IOI Sustainable Palm Oil Policy of March 2018 contains a written commitment under Human Rights and Workplace, to eliminate all forms of forced, illegal, bonded or compulsory labour. Foreign workers are able to have their passports kept and locked in mini lockers where they can keep the keys ensuring free movements.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	No evidence of contract substitution found. Contract agreements were all signed by the workers upon arrival to the workplace premise and given an exact duplicate copy for their retention. As verified through employment contracts, and interviews with foreign workers, there is no evidence that contract substitution has occurred at the Mill and estates. They were aware of the types of work they would be doing before they arrived in Malaysia. The actual job undertaken was the same as what they were informed of while they were still in their home country.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	Bukit Leelau CU does not practice hiring any workers on temporary basis. For foreign workers, there is a special policy for employment of foreign workers titled 'Policy on Foreign Workers'.
C 6.13 Growers and millers respect human rights	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations. Major Compliance	YES	Policy entitled 'Sustainable Palm Oil Policy' is available. Communication method were by displaying in strategic workplaces, training and morning roll calls.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	YES	Bukit Leelau Certification Unit is located in Peninsular Malaysia and therefore this Indicator is not applicable.

### **Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS**

Auditors has verified through checking the [www.globalforestwatch.com](http://www.globalforestwatch.com), GOOGLE Maps, Estate Maps and also through site visit to all four estates. Based on the audit findings, it is confirmed that there were no new planting or new development of areas at Bt. Leelau CU. Thus Principle 7 is not applicable.

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

Clause	Indicators	Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1 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. As a minimum, these shall include, but are not necessarily be limited to:		
	a) Reduction in use of pesticides (Criterion 4.6);	YES	All estates continued to manage pests, disease and weeds using appropriate IPM techniques. In order to minimize use of insecticides, the estate had established nurseries for beneficial plants mainly <i>Turnera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> . This was to establish continuity in the planting of beneficial plants The estates were committed to reduce using chemicals and now have implemented and will continue to only spray Circles and noxious weeds. Soft weeds and <i>Nephrolepis bisserata</i> were maintained and encouraged in the inter rows. Where possible, Harvesters' paths were grass cut. This also suppresses growth of noxious weeds and thus reduce use of pesticides for selective weeding too. EFB is applied in single layers to prevent/suppress Rhinoceros Beetle from breeding During replanting <i>Mucuna bracteata</i> were planted to cover chipped palm material to prevent/suppress Rhinoceros Beetle from breeding.
	b) Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	Bukit Leelau CU had established its Environmental Management Programme to reduce impacts to the environment as identified in their Environmental Aspect Impact Register. Each of the site list out their environmental Objectives, Target, Action Plan and Monitoring, Proposed Completion date and Person In-Charge. The CU continued to comply with the management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. It was also observed that practices to minimise environmental impacts were also advocated through proper stacking of fronds, EFB application, avoidance of blanket spraying, planting of beneficial plant, barn owl program and reduce reliance on rat baits, road maintenance and maintenance of soft vegetation in interlines.
	c) Waste reduction (Criterion 5.3);	YES	The CU had established its Waste Management and Reduction Plan to reduce waste that it had identified. At the respective estate visited the following were sighted evident: EFB,

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Clause	Indicators		Comply Yes/No	Findings
				<p>decanter cake and pruned fronds continued reused for nutrient recycling in estate, reuse of wastewater generated from pre-mixing and triple-rinsing, empty agrochemical containers were disposed responsibly, the practice of 3R (Reduce, Reuse and Recycle) for office and household wastes (at line-site), domestic wastes segregated for recycling, organic wastes collected and land-filled and scheduled wastes disposed according to applicable regulation.</p> <p>Mill approach to waste reduction were as follows: effluent quality continued monitored, analyzed and discharge according to applicable regulation, Fibre &amp; shell were reused as fuel in the boiler, scheduled wastes disposed according to applicable regulation and the practice of 3R for office wastes</p>
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	<p>Pollution and GHG emission plans continued to be implemented. These included:</p> <ul style="list-style-type: none"> <li>• monitoring of compliance to applicable requirements of black smoke and dust particulate emission from chimneys by mill.</li> <li>• Road grader, Compactor and Tractor Service Program and Road Maintenance Program to improve efficiency of usage of fossil fuels by estates.</li> <li>• reduce of fertilizer usage by estate via:               <ul style="list-style-type: none"> <li>(i) use as per dosage recommendation.</li> <li>(ii) fertilizer application calibration.</li> <li>(iii) use of fertilizer dosage (amount) control spreader.</li> <li>(vi) reuse of EFB and decanter cake.</li> </ul> </li> <li>• Increase barn owl occupancy rate and reduce the rat bait usage</li> </ul> <p>Records of implementation maintained available. Such examples of records were related to vehicles maintenance, diesel usage, CEMS, stack analysis, fertilizer usage, etc.</p>
	e)	Social impacts (Criterion 6.1);	YES	<p><u>Bukit Leelau POM and Bukit Leelau Estate</u></p> <p>The CU also has planned to improve facilities in the estate as budgeted in the capital expenditure (CAPEX) such as surau, maintenance of workers and staffs housing for FY2018 such as repainting of workers quarters and replacement of new mosquito net.</p> <p><u>Merchong Estate</u></p> <ol style="list-style-type: none"> <li>1. To improve condition of worker quarters drain with proper drainage system with cement</li> <li>2. To install spotlight at linesite area</li> <li>3. To construct takraw court</li> </ol> <p><u>Mekassar Estate</u></p> <ol style="list-style-type: none"> <li>1. To improve condition of worker quarters drain with proper drainage system with cement</li> <li>2. To install spotlight at linesite area</li> </ol> <p><u>Detas Estate</u></p> <ol style="list-style-type: none"> <li>1. To construct new worker quarters</li> </ol>

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Clause	Indicators		Comply Yes/No	Findings
				2. To construct futsal court 3. To upgrade surau to mosque in the estate compound for Jumaat prayer
	f)	Encourage optimising the yield of the supply base  Major Compliance	YES	All estates were committed to implement best agricultural practices, inclusive of <ul style="list-style-type: none"> <li>timely and proper fertilizer, EFB &amp; compost application;</li> <li>maintain/conservate water by water management,</li> <li>improve on accessibility to maximise crop evacuation</li> <li>reduce surface run off water to prevent leaching of fertilisers</li> <li>improving extended harvesting interval</li> </ul>

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Clause	Indicators		Comply Yes/No	Findings																		
4.5.3 Time-bound plan  Note: Where there are isolated lapses in implementation of a time-bound plan, a minor non- compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised;	(a)	As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.	YES	IOI Corporation Berhad is in progress to certify 5 PMU's from 2019 to 2020 as verified through Time Bound Plan as at September 2018 as follows: <table><tr><th>No</th><th>Plantation Management Unit (PMU)</th><th>Time Bound Plan</th></tr><tr><td>1</td><td>PT SKS, Indonesia</td><td>2019</td></tr><tr><td>2</td><td>PT BNS, Indonesia</td><td>2019</td></tr><tr><td>3</td><td>PT BSS, Indonesia</td><td>2019</td></tr><tr><td>4</td><td>IOI-Pelita Sarawak</td><td>2020</td></tr><tr><td>5</td><td>PT KPAM, Indonesia</td><td>2020</td></tr></table>	No	Plantation Management Unit (PMU)	Time Bound Plan	1	PT SKS, Indonesia	2019	2	PT BNS, Indonesia	2019	3	PT BSS, Indonesia	2019	4	IOI-Pelita Sarawak	2020	5	PT KPAM, Indonesia	2020
	No	Plantation Management Unit (PMU)	Time Bound Plan																			
	1	PT SKS, Indonesia	2019																			
	2	PT BNS, Indonesia	2019																			
3	PT BSS, Indonesia	2019																				
4	IOI-Pelita Sarawak	2020																				
5	PT KPAM, Indonesia	2020																				
(b)	Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the TBP, the later CB shall accept the appropriateness of the TBP at the moment of first involvement and shall only check continued appropriateness;	YES	A challenging time bound plan for certifying all CU was accepted. The time-bound plan contain a list of subsidiaries, estates and mills. Based on the time bound plan, 14 units have been certified after obtaining RSPO membership and 5 uncertified units are in progress for certification which will be not later than year 2020.																			
(c)	Any revision to the time-bound	YES	No revision of the time bound plan. The time bound plan was endorsed by the																			



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		plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);		Sustainability Department, IOI Corporation Berhad.
4.5.4 Requirements for uncertified management units:	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since 1 <sup>st</sup> January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	YES	Based on the internal audit report for 8 uncertified unit of IOI Group dated in Sept 2017 and time bound plan, there was no new replacement of primary forest or HCV after Jan 2010 for the 4 uncertified units at IOI Pelita (Sarawak), Unico Desa Palm Oil Mill, Unico Palm Oil Mill and Sugut Estate (Sabah). However, for other 4 uncertified units at PT Sukses Karya Sawit, PT Berkat Nabati Sawit, PT Bumi Sawit Sejahtera and PT KPAM, replacement of primary forest after Jan 2010 were reported. IOI has conducted an internal audit for PT Sukses Karya Sawit (PT SKS), PT Berkat Nabati Sawit (PT BNS) and PT Bumi Sawit Sejahtera (PT BSS) in July 2017. Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of Jan 2018. IOI received a letter from RSPO Complaints Panels' dated in July 2018 in regard to the final decision on the complaint. Few additional recommendations were highlighted in their letter. Further and updated progress of this issue could be access through the link below; <a href="https://rspo.org/members/complaints/statusof-complaints/view/80">https://rspo.org/members/complaints/statusof-complaints/view/80</a> . Certification preparations in progress. As part of the preparation, Certification Body had been engaged to conduct the gap assessment. The gap assessment was conducted in end of Aug 2018. Governmental 'Hak Guna Usaha' (HGU) application in progress. For PT KPAM, Indonesia, this company is in the process to conduct NPP upon completion of HCV report and review by HCVRN. All reports will be posted on the RSPO for Public Consultation.
	(b)	Land conflicts, if any, are being resolved through a mutually agreed process, such as	YES	<u>IOI-Pelita Sarawak</u> Grassroots has officially withdraw themselves as the complainer for IOI-Pelita land dispute case in June 2018 and is signing an agreement with IOI on being

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	the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;		<p>the facilitator for the dispute resolution. Grassroots withdrawal as the complainer are seen to avoid the "Conflict of Interest" if they are going to sign an agreement with IOI on this case.</p> <p>IOI has continued to work closely with all its stakeholders especially Grassroots and RSPO Complaints Panel (CP) concerning the IOI-Pelita case to resolve this long-standing dispute.</p> <p>IOI provided the communities with a list of local NGOs and legal advisors who could provide the communities with impartial and expert advice, a service that would be paid for by IOI. Furthermore, on August 11th IOI, local NGOs and the lead facilitator held a day-long workshop with the community leaders in Miri to discuss the Draft Resolution Plan and brief them on the facilitation and capacity building services they could provide to the affected communities. The ground team has actively conducted land survey procedure in Tegai Estate involving communities and cooperation from Sarawak Land Survey Department in July 2018. The data obtained from the survey will be used in the compensation mechanism with the communities' hence resolving dispute in the area. Further and updated progress of this issue could be access through the link below; <a href="https://rspo.org/members/complaints/statusof-complaints/view/4">https://rspo.org/members/complaints/statusof-complaints/view/4</a>.</p>
(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	YES	Based on internal audit report for uncertified units of IOI Group dated in Sept 2017, there was no issue on labour disputes for all uncertified units.
(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	YES	Based on internal audit report for uncertified units of IOI Group dated in Sept 2017, there was no issue on legal non-compliance for all uncertified units.
(e)	The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) – (d) above by the audit team based on self- declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the	YES	

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		following approach:		
		<ul style="list-style-type: none"> <li>A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement;</li> </ul>	YES	Based on internal audit report for uncertified units of IOI Group dated Sept 2017, the IOI had assessed all uncertified units on the requirements (a) – (e). IOI Group also has made a positive assurance statement for A) Time bound plan, B) Requirements for uncertified management units and/or holdings, and C) Timely Notification of Changes, through an official letter 'Statement of Declaration by Organization (Grower) on the compliance with Rules for Partial Certification as per Time Bound Plan' dated September 2018.
		<ul style="list-style-type: none"> <li>Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team.</li> </ul>	YES	Based on internal audit report for uncertified units of IOI Group dated Sept 2017, the IOI had assessed all uncertified units on the requirements (a) – (e). IOI Group also has made a positive assurance statement for A) Time bound plan, B) Requirements for uncertified management units and/or holdings, and C) Timely Notification of Changes, through an official letter 'Statement of Declaration by Organization (Grower) on the compliance with Rules for Partial Certification as per Time Bound Plan' dated September 2018.
		<ul style="list-style-type: none"> <li>Desktop study e.g. web check on relevant complaints</li> </ul>	YES	Verified through RSPO website: <a href="https://www.rspo.org/members/status-of-complaints/">https://www.rspo.org/members/status-of-complaints/</a>
		<ul style="list-style-type: none"> <li>If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements.</li> </ul>	NA	No further stakeholder consultation or field inspection were conducted.
4.6.4 The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.		No additional indicators	YES	As it has been mentioned in 2.2.1 of this checklist, Bukit Leelau CU owned the land as it was leased and bought from the previous land owner, the Pahang State Government. Based on the interviews and this audit finding, it has been confirmed that there was no such case concerning the rights of local communities and indigenous peoples at Bukit Leelau CU.

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### Attachment 4

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

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
Indicator 1.1.2 MAR 01	Major	Records of request and Information regarding Certified Area was found incorrect.	The "Information Required Bukit Leelau CU" form was amended with the correct data. The appendix was attached with supporting documents.	The management has provided the amended data. The amended data was in "Information Required Bukit Leelau CU" form and support with the other documents such as copy of land title from Laukin A.  Status: Closed
Indicator 4.1.1 STK 01	Major	SOPs for Peat Soil maintenance. On Bukit Leelau Estate SOP to monitor subsidence of peat soils was not available.	The SOP on monitoring of peat subsidence has been finalized and it shall serve as a major reference document on the procedure of managing the peat area in plantations.	SOP for peat soil maintenance has been sighted with document no SOP/IOI/PD/003 with develop on 30/10/2018.  Status: Closed
Indicator 4.1.2 STK 02	Minor	The Standard operating procedure (SOP) Appendix 13b – Procedure 'Kerja Selamat Pemandu Traktor' was not demonstrated. Bukit Leelau Estate and Detas Estate - At time of audit, wheel bolts and nuts were found to be missing from a number of tractor trailers.	Competent training on "Prosedur Kerja Selamat Pemandu Traktor" has been conducted for tractor driver. New tractor checklist that includes wheel bolts and nuts has been distribute to all IOI Estate and instructed the drivers to check their tractors every day by referring to the checklist.	The corrective action accepted. The effectiveness of the corrective action will verify during next audit.  Status: Open
Indicator 4.7.5 MAR 02	Minor	Accident and emergency procedures not exist for inhale of a highly toxic pesticides. Accident and emergency procedures in Mekassar and Merchong Estate is not exist for inhale of a highly toxic pesticides.	Emergency Response Procedure was updated and Highly Toxic Poisoning has distributed to all IOI Estate.	The corrective action accepted. The effectiveness of the corrective action will verify during next audit.  Status: Open
Indicator 4.8.1 STK 03	Major	No assessment for training needs and formal training program for Standard Operating Procedures for operational activities was available. All Estates -There is no evidence to show that assessment for training needs and formal training program for Standard Operating Procedures of estate operations like	A new "Workers Annual Training Needs and Program" has been developed for the operating centres to identify the trainings required by each worker and indicate the date training was conducted.	The template 'Workers Annual Training Needs and Program' has been sighted.  Status: Closed

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		harvesting standards, pruning standards, manuring, weeding, etc.	A sample of the "Workers Annual Training Needs and Program" template is attached.	
Indicator 6.5.2 RZ 01	Major	<p>1. Workers' salary deductions were made without any request in writing received from the respective workers.</p> <p>2. Workers' contracts of employment do not contain a provision for termination.</p> <p>3. Non-renewal of expired contracts of employment.</p> <p>4. Workers' contracts do not have a mutual termination clause.</p> <p>5. Female weight bridge attendance worked after 10.00PM.</p> <p><u>Objective evidence</u></p> <p>1. Workers' salaries at Mekassar Estate were deducted for electricity. However, there is no request in writing by the said employees for such deductions to be made. The payslips sampled belong to the following workers:</p> <ul style="list-style-type: none"> <li>- Worker No 1846 Aug 2018 of RM7.05</li> <li>- Worker No 1669 Jan 2018 of RM2.41</li> </ul> <p>2. Workers' contracts of employment do not contain a provision for termination and period of notice. Sampled contracts as follows:</p> <p>a. Mekassar Estate:</p> <ul style="list-style-type: none"> <li>- Worker No 1888 contract dated 13 June 2018</li> <li>- Worker No 1898 contract dated 25 Aug 2018</li> <li>- Worker No 1901 contract dated 25 Aug 2018</li> </ul> <p>b. Bukit Leelau Estate:</p> <ul style="list-style-type: none"> <li>- Worker No 2176 contract dated 15 Jan 2014</li> <li>- Worker No 2199 contract dated 26 April 2014</li> <li>- Worker No 2366 contract dated 9 Jan 2017</li> </ul> <p>c. Merchong Estate:</p> <ul style="list-style-type: none"> <li>- Worker No 1549 contract dated 11 June 2015</li> <li>- Worker No 1462 contract dated 11 June 2015</li> <li>- Worker No 1986 contract dated 6 September 2018</li> </ul> <p>3. Non-renewal of Workers' expired contracts</p>	<p>1. The respective workers in Mekassar Estate requested estate management to deduct electricity charges and buffalo loan payment from their monthly salaries by signing the "workers request for salary deduction" form.</p> <p>2. The workers' employment contract has been revised to include a provision for termination (mutual termination clause by both parties). This draft of revised employment contract also integrates the New Minimum Wages Order 2018 (From RM 1,000 to RM 1,100).</p> <p>3. HR department has circulated the "extension of employment contract" to all IOI operating centres and informed the managers to request workers who have completed their initial contract period to sign this document if they wish to continue to work for the following year.</p> <p>4. The workers' employment contract has been revised to include a mutual termination clause by both parties. This draft of revised employment contract also integrates the new Minimum Wages Order 2018 (From RM 1000 to RM 1100).</p> <p>5. Bukit Leelau Mill is in the progress of applying permit from Jabatan Tenaga Kerja (JTK) for women working after 10.00 pm. An application letter was sent to JTK on 28/9/2018. JTK replied to this letter and requested for more details. Bukit Leelau Mill</p>	<p>The management have provided copy of the action plan as follows:</p> <p>1. Appendix 1: dated 4/10/2018.</p> <p>2. Appendix 2: dated 17/12/2018</p> <p>3. Appendix 3: dated 3/11/2018</p> <p>4. Appendix 4: dated 17/12/2018</p> <p>5. Appendix 5: dated 25/10/2018</p> <p>Status : Closed</p>

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		<p>Bukit Leelau Estate:</p> <ul style="list-style-type: none"> <li>- Worker No 2015B contract dated 25 Oct 2011 which expired on 24 Oct 2013</li> <li>- Worker No 2224 contract 27 June 2014 which expired on 26 June 2017</li> <li>- Worker No 1656 contract dated 9 January 2008 which expired on 8 January 2010</li> </ul> <p>Merchong Estate:</p> <ul style="list-style-type: none"> <li>- Worker No 1462 contract dated 11 June 2015 which expired on 10 June 2018</li> <li>- Worker No 1549 contract dated 11 June 2015 which expired on 10 June 2018</li> <li>- Worker No 1515 contract dated 11 June 2015 which expired on 10 June 2018</li> </ul> <p>4. Mill workers' contracts of employment do not contain a mutual termination clause.</p> <p>Bukit Leelau Palm Oil Mill:</p> <ul style="list-style-type: none"> <li>- Worker No 0564 contract dated 1 April 2017</li> <li>- Worker No 0675 contract dated 1 April 2017</li> <li>- Worker No 0758 contract dated 1 April 2017</li> </ul> <p>5. Female weighbridge attendant worked until 11.30PM on 15 September 2018 without written exemption from the Labour Office.</p>	<p>submitted the required documents on 25/10/2018. Bukit Leelau Mill follow up with a phone call on 29/11/2018. JTK replied that they are presently waiting for approval from their Director.</p>	
Indicator 6.10.4 MRS 01	Minor	<p>The contract agreement between estate and contractor did not clearly state the agreed payments period. Contract between Detas Estate and JCB contractor - Siti Nor Aida Rahamad (valid from 1/7/2018 – 30/6/2019) does not clearly state the agreed payment period.</p>	<p>The management has amended the contractor's contract agreement accordingly and has instructed all operating centres to immediately use the new agreement for replace the existing contracts.</p>	<p>The corrective action accepted. The effectiveness of the corrective action will verify during next audit.</p> <p>Status: Open</p>
Indicator 5.4.1 (Supply chain) SKA 01	Major	<p>The description of the product, including applicable supply chain model (Identity Preserved) as well as certificate number of seller were not adequately indicated in the relevant incoming documents.</p> <p><u>Objective evidence</u></p>	<p>A new standardized rubber stamp has been designed, containing the following information:</p> <ul style="list-style-type: none"> <li>a) Name and address of seller and buyer</li> <li>b) Description of the product (Identity</li> </ul>	<p>The management has provided copy of the standardized rubber stamp has been designed, containing the following information:</p> <ul style="list-style-type: none"> <li>a) Name and address of seller and buyer</li> </ul>

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	<p>a. Incoming Certified Sustainable FFB from Detas estate not indicating the certified material as being IP certified as well as missing certificate number on its FFB consignment note no. 835969 dated 31/01/18, from block/ year A1B for 32.73mt FFB, vehicle no. JLN 9927</p> <p>b. Incoming Certified Sustainable FFB from Merchong estate not indicating the certified material as being IP certified as well as missing certificate number on its FFB consignment note no. 843863 dated 28/02/18, from Ramp 2 for 31.08mt FFB, vehicle no. PHK 5757</p> <p>c. Incoming Certified Sustainable FFB from Laukin A estate not indicating the certified material as being IP certified as well as missing certificate number on its FFB consignment note no. 858250 dated 31/07/18, from all ramp for 36.26mt FFB, vehicle no. JSG 7340</p> <p>d. Incoming Certified Sustainable FFB from Leepang A estate not indicating the certified material as being IP certified as well as missing certificate number on its FFB consignment note no. 869502 dated 30/08/18, from all ramp for 25.10mt FFB, vehicle no. JKB 4494, BLPOM weighbridge ticket no. 272727 dated 30/08/18 for 25.12mt of CSFFB</p>	<p>Preserved)</p> <p>c) RSPO Certificate Number</p> <p>The following also will available in the weighbridge ticket:</p> <p>a) Loading or delivery date</p> <p>b) Date of the documents issued</p> <p>c) Quantity products delivered</p> <p>d) Unique identification number</p>	<p>b) Description of the product (Identity Preserved)</p> <p>c) RSPO Certificate Number</p> <p>Status: Closed</p>
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Attachment 5

### RSPO SUPPLY CHAIN : AUDIT CHECKLIST

#### SECTION A : GENERAL INFORMATION

1.	File Reference No.	: EI03590001
2.	Name of facility/ site(s) /entity(ies)	: IOI Corporation Berhad – Bukit Leelau Palm Oil Mill
3.	Site Location (single site/multisite/Group)	: KM 75, Kuantan – Segamat Highway, 26700 Muadzam Shah, Pahang
4.	SC model	: Identity Preserved
5.	Type of entity	: Palm Oil Mill
6.	RSPO Member Number	: 2-0002-04-000-00 (IOI Corporation Berhad)
7.	Annual summary records of certified oil palm products purchased and claimed	: Refer details in Table 1 of this report

#### SECTION B (i) : RSPO SUPPLY CHAIN CERTIFICATION SYSTEM (REVISED JUNE 2017)

	Requirements	Remarks
	<b>Audit Process Requirements – FOR STAGE 2 / RECERTIFICATION AUDIT</b>	
<b>5.3.8</b>	The certification audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization seeking or holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.	Not Applicable
	<b>Audit Process Requirements – SURVEILLANCE AUDIT</b>	
<b>5.3.26</b>	The surveillance audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard. In cases where an organization seeking certification outsources activities to independent third parties, a risk assessment shall be done by the CB to determine whether an audit of the sub-contractor is required. If the outsourced contractor holds RSPO Supply Chain certification, then it does not require an additional audit.	The organizational systems, the management systems and the operational systems, including any documented policies and procedures of RPOM are sufficient and adequate in complying with latest revision of RSPO Supply Chain Certification Standard.



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### SECTION B (ii) : GENERAL CHAIN OF CUSTODY REQUIREMENTS FOR THE SUPPLY CHAIN

	Requirements	Remarks
<b>1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>	
1.1	Organization takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.	Bukit Leelau POM (hereafter refer as BLPOM) takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at following location – KM 75, Kuantan-Segamat Highway, 26700 Muadzam Shah, Pahang
1.2	Traders and distributors require a licence obtained from RSPO to sell RSPO certified product but do not themselves require certification. When selling RSPO certified product a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.	Not Applicable
1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform	The Perusahaan Mekassar (M) Sdn Bhd - Bukit Leelau Palm Oil Mill registered on the RSPO IT platform.
1.4	Processing aids do not need to be included within an organization's scope of certification.	Not Applicable
<b>2</b>	<b>Supply chain model</b>	
2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	BLPOM obtained certified FFB from own certified supply base (as listed below). BLPOM also found to be aware of the downgrading procedure – refer to para 5.5 of RSPO/SOP/COC/3 (latest issuance) List of certified supply base; - Mekassar Estate                      - Detas Estate                      - Merchong Estate - Bukit Leelau Estate                      - Laukin A Estate                      - Leepang A Estate
2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	BLPOM only apply model D - CPO Mills: Identity Preserved
<b>3</b>	<b>Documented procedures</b>	
3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:	-
a)	Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.	Refer to Standard Operating Procedure (SOP) – CSFFB, CSPO & CSPK Traceability System for Estates, Mills, Warehouses & Trading Companies, doc. no. RSPO/SOP/COC/3 issue no. 6 dated 3 <sup>rd</sup> April 2018.
b)	Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).	Among record sighted are as followed and found that they were in compliance with the standard requirements; FFB delivery/ consignment note, WB advice ticket, FFB grading chit, Daily FFB, CPO & PK production, Daily FFB received, Daily production report, CSPO/PK Mass Balance Summary.

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c)	Identification of 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 organization's procedures for the implementation of this standard.	Appointment letter dated July & January 2018 were referred and found adequate.
3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>ii. Effectively implements and maintains the standard requirements within its organization.</p> <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct nonconformities shall be subject to management review at least annually. The organization shall be able to maintain the internal audit records and reports.</p>	Reference: para 5.1 of RSPO/SOP/COC/3 (latest issuance). Audit report has also been established. The audit was conducted against the RSPO Supply Chain Certification Standard Revision 2017 requirements.
<b>4</b>	<b>Purchasing and goods in</b>	
4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number.</li> </ul> <p>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</p>	Information available.

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a)	The site shall have documentation that demonstrate that purchases are made to the material category agreed with their supplier (IP, SG or MB).	
b)	The site ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcement and Shipping Confirmation on the RSPO IT platform on the level of each shipment.	To demonstrate that purchases are made to the material category agreed with their supplier, BLPOM ensure consignment note from supplying estates being marked/ stamped accordingly to indicate the RSPO certified status. For certified CPO & PK produced, BLPOM update their stock accordingly in Palm Trace.
c)	A check of the validity of the Supply Chain Certification of suppliers for all sites that are SC certified. This shall be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements.	Internal supplier under same certification – valid certificate. The relevant person in charge was aware that supplier certificate validity can be checked via RSPO website or Palm Trace, frequency of check at least once annually.
4.2	The site shall have a mechanism in place for handling non-conforming material and/or documents.	No non-conforming material and/or documents recorded since last audit.
<b>5</b>	<b>Outsourcing activities</b>	
5.1	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. <i>This requirement should not apply to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the organization (not the tank farm manager).</i>	BLPOM outsource transportation and storage of certified product prior to delivery to end buyer. Transporter appointed (for CPO only and storage facility) have signed agreement and found adequate. For delivery of PK, the lorry being chartered by buyer.
5.2	Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: a) The site has legal ownership of all input material to be included in outsourced processes; b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The responsibility is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c) The site has a documented control system with explicit	Refer 'Additional Requirements for All Contractors Providing Service to IOI Plantations Operating Centers'.

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	<p>procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.</p>	
5.3	The site shall record the names and contact details of all contractors used for the processing or production of RSPO certified materials.	Not Applicable
5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or production of RSPO certified materials.	Not Applicable
<b>6</b>	<b>Sales and goods out</b>	
6.1	<p>The organization shall ensure that the following minimum information for RSPO certified products is made available in document form. Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number;</li> <li>• A unique identification number.</li> </ul>	The requirement of sales & goods out especially on notation of SC model applied & SC cert no complied by indicating in weighbridge dispatch ticket
<b>7</b>	<b>Registration of transactions</b>	
7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>• are supply chain actors between the mill and final refinery;</li> <li>• take legal ownership and physically handle RSPO Certified Sustainable oil palm products; and</li> </ul>	The registration of transaction being carried out by Sustainability Manager or Sustainability Executive.

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	<ul style="list-style-type: none"> <li>are part of the supply chain of RSPO Certified Sustainable oil palm products must register their transaction in the RSPO IT platform at the time of physical shipment as required by the rules set by RSPO.</li> </ul>	
<b>8</b>	<b>Training</b>	
8.1	The organization shall have a defined training plan, which is subject to on-going review and is supported by records of the training provided to staff.	Sustainability Program FY 2018 established & being reviewed accordingly by the Management. The relevant training records were well maintained.
8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system. Training shall be specific and relevant to the task(s) performed.	Training focus on relevant IP procedures and record, attendees consist of assistant manager, sustainability clerk, laboratory supervisor, weighbridge clerk etc. Training material was found to be adequate in addressing the standard requirements. In addition to above training, BLPOM also conducted training for their identified Critical Control Point personnel such as assistant manager, production executive, office clerk, weighbridge clerk, chief auxiliary police etc.
<b>9</b>	<b>Record keeping</b>	
9.1	The site shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	The relevant record pertaining to RSPO SCCS within BLPOM found to be updated accordingly and easily accessible during the audit.
9.2	Retention times for all records and reports shall be a minimum of two (2) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	Relevant record pertaining to implementation of RSPO SCCS within RPOM retained for minimum 2 years.
9.3	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	This is available as provided in Table 1 & 3 of this report.
<b>10</b>	<b>Conversion factors</b>	
5.10.1	Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ). This is in particular relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries. The guidance document for oleochemicals is available on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ).	RPOM process all the received certified crop & their processing output will be based on their actual Oil Extraction Rate (OER) & Kernel Extraction Rate (KER). These figures were monitored on daily & monthly basis by the mill using the prepared template to ensure their accuracy as well as monitoring of their ongoing performance.

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10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
<b>11</b>	<b>Claims</b>	
11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims.	Relevant information on product claim (including applicable SC model and certificate no.) being correctly indicated in the relevant outgoing paperwork (sales contract). BLPOM has not opted for the use of RSPO trademark logo.
<b>12</b>	<b>Complaints</b>	
12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	The procedure was found sufficient for collecting and resolving stakeholder complaints – group Grievance Procedure which can be access through IOI website. However, no complaint from stakeholder with regards to RSPO SCCS recorded since last audit.
<b>13</b>	<b>Management review</b>	
13.1	The organization is required to hold management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	Management review planned once annually. Last Sustainability Management Review Meeting conducted in Aug 2018.
13.2	The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO SCCS</li> <li>• Customer feedback</li> <li>• Status of preventive and corrective actions</li> <li>• Follow-up actions from management reviews</li> <li>• Changes that could affect the management system</li> <li>• Recommendations for improvement</li> </ul>	Management review meeting minute had been established. Coverage of review meeting found sufficient, input and output discussed had listed the item as required by the standard.
13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes</li> <li>• Resource needs</li> </ul>	

### SECTION C : SUPPLY CHAIN MODELS *(to only use whichever is applicable)*

	<b>Module D – CPO Mills: Identity Preserved</b>	
<b>D.1</b>	<b>Definition</b> A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO	<b>Actual (September 2017 – August 2018)</b>  a) FFB Received RSPO 197,196.63  MT 197,196.63

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D.1.1	<p>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>To verify :</p> <p>a) the volume of certified and uncertified FFB entering the mill</p> <p>b) the volume sales of RSPO certified</p> <p>The claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>	<table> <tr> <td>Non-RSPO</td><td>0</td><td></td></tr> <tr> <td>FFB Processed</td><td></td><td></td></tr> <tr> <td>RSPO</td><td>197,196.63</td><td></td></tr> <tr> <td>Non-RSPO</td><td></td><td></td></tr> <tr> <td>CPO Production</td><td>45,328.11</td><td></td></tr> <tr> <td>PK Production</td><td>8,961.74</td><td></td></tr> <tr> <td>b) Delivery of CPO</td><td></td><td>44,484.67</td></tr> <tr> <td>RSPO (IP)</td><td>32,729.11</td><td></td></tr> <tr> <td>Non-RSPO</td><td>11,755.56</td><td></td></tr> <tr> <td>Delivery of PK</td><td></td><td>8,981.02</td></tr> <tr> <td>RSPO (IP)</td><td>5,372.04</td><td></td></tr> <tr> <td>Non-RSPO</td><td>3,608.98</td><td></td></tr> </table>	Non-RSPO	0		FFB Processed			RSPO	197,196.63		Non-RSPO			CPO Production	45,328.11		PK Production	8,961.74		b) Delivery of CPO		44,484.67	RSPO (IP)	32,729.11		Non-RSPO	11,755.56		Delivery of PK		8,981.02	RSPO (IP)	5,372.04		Non-RSPO	3,608.98	
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D.2 D.2.1	<p><b>Explanation</b></p> <p>Estimate total tonnage of CPO and PK potentially produce in a year</p>	<p><b>Projection (September 2018 – August 2019)</b> <u>MT</u></p> <table> <tr> <td>(1) FFB Received</td><td></td><td>215,327.00</td></tr> <tr> <td>RSPO</td><td>215,327.00</td><td></td></tr> <tr> <td>Non-RSPO</td><td></td><td></td></tr> <tr> <td>(2) FFB Processed</td><td></td><td>215,327.00</td></tr> <tr> <td>RSPO</td><td>215,327.00</td><td></td></tr> <tr> <td>Non-RSPO</td><td></td><td></td></tr> <tr> <td>(3) CPO Production</td><td></td><td>49,525.21</td></tr> <tr> <td>(4) PK Production</td><td></td><td>10,228.00</td></tr> </table>	(1) FFB Received		215,327.00	RSPO	215,327.00		Non-RSPO			(2) FFB Processed		215,327.00	RSPO	215,327.00		Non-RSPO			(3) CPO Production		49,525.21	(4) PK Production		10,228.00												
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D.2 D.2.2	<p><b>Explanation</b></p> <p>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>BLPOM was observed to have met registration and reporting requirements for supply chain through the RSPO IT platform.</p>																																				
<b>D.3</b>	<b>Documented procedures</b>																																					
D.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>Refer to Standard Operating Procedure (SOP) – CSFFB, CSPO &amp; CSPK Traceability System for Estates, Mills, Warehouses &amp; Trading Companies, doc. no. RSPO/SOP/COC/3 issue no. 6 dated 3<sup>rd</sup> April 2018. Following are listed item under the SOP</p>																																				

## RSPO PUBLIC SUMMARY REPORT

	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.	Senior Assistant Mill Manager have overall responsibility and authority over the implementation of the standard requirements and compliance.
D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Receiving of certified and non-certified FFB procedure was stated in section 3.2 and "Group Standard Operating Procedure for POM".
<b>D.4</b>	<b>Purchasing and goods in</b>	
D.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	All certified FFB came from the same certification unit and following are list of certified supply base for BLPOM; <div style="display: flex; justify-content: space-between;"> <span>- Mekassar Estate</span> <span>- Detas Estate</span> <span>- Merchong Estate</span> </div> <div style="display: flex; justify-content: space-between;"> <span>- Bukit Leelau Estate</span> <span>- Laukin A Estate</span> <span>- Leepang A Estate</span> </div> All delivery documents of certified FFB were verified to ensure the certified status of the FFB. Volumes of certified FFBs received by the mill had been properly recorded and monitored.
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	It was noted that BLPOM had applied for extension of volume and had been approved on 07/12/2018.
<b>D.5</b>	<b>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 real-time basis.	The record for receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK were done on real time basis using the various report/ record as mentioned in para 3.1b of this checklist.
<b>D.6</b>	<b>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 non-certified oil palm product including during transport and storage.	Marketing department responsible for the purchase and sell of raw material and finished product respectively. Relevant information will be provided to BLPOM for reference on site. The dispatch of the RSPO certified CPO/ PK to buyer by BLPOM were made based on agreement, as per noted in sales contract. The receiving pit, pipelines and tanks in BLPOM were thoroughly cleaned, swept and flushed before RSPO certified CPO was pumped in to avoid contamination. Dedicated tanks were used to store RSPO certified CPO from BLPOM. The same practice occurs for separate handling of certified palm kernel. For traceability of a specific batch of RSPO certified CPO back to the supplying POM, BLPOM kept the relevant documents such as the weighbridge ticket, CPO dispatch note, Dispatch oil quality ticket, Authorization from transporter, Borang MPOB L3, CPO dispatch authorization issued by the POM.
	The objective is for 100 % segregated material to be reached.	BLPOM does not accept any non-certified FFB. It was confirmed through summary of weighbridge ticket and interview with weighbridge operator. Therefore, CPO and PK can be considered 100% segregated.



# RSPO PUBLIC SUMMARY REPORT

## Attachment 6

### Status of Non-conformities Previously Identified Bukit Leelau CU

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Auditors	Verification by Assessor
2.2.2	Minor MRS 01 2017	<p>Physical markers was not evident along the legal boundaries particularly adjacent to neighbouring local communities and reserves.</p> <p>Objective evidence : During site visit, auditor has found that physical markers was not evident along the legal boundaries of the visited estate as below:</p> <ul style="list-style-type: none"> <li>i. Laukin A Estate at Field PM02N and PM02P with forest reserve</li> <li>ii. Bukit Leelau Estate at Field PR15A and PR15B with Kg. Asli Runchang</li> <li>iii. Leepang A Estate at Field PM02M and PM02N with Kg. Aur</li> </ul>	<p>Corrective action plan: The below estates took the following immediate measures to comply with this requirement. Physical markers were placed along the legal boundaries as below:</p> <ul style="list-style-type: none"> <li>i) Laukin A Estate: Field PM20N and PM02P with forest reserve. Please refer to Appendix 5a Photos of physical boundary marking in Laukin A Estate (Field PM02N and PM02P with forest reserve)</li> <li>ii) Bukit Leelau Estate: Field PR15A and PR15B with Kg. Asli Runchang. Please refer to Appendix 5b Photos of physical boundary marking in Bukit Leelau Estate (Field PR15A and PR15B with Kg. Asli Runchang)</li> <li>iii) Leepang A Estate: Field PM02M and PM02N with Kg. Aur. Please refer to Appendix 5c Photos of physical boundary marking in Leepang A Estate (Field PM02M and PM02N with Kg. Aur)</li> </ul> <p>As they are unable to mark the whole estate immediately due to vast areas, rough terrain and lack of time and personnel, the estates have prepared a program to progressively mark all the legal boundaries.</p>	<p><u>Bukit Leelau Estate</u> - At Bukit Leelau Estate, boundary marks are located and visibly maintained between the estate with FELCRA, Kg. Asli Tanjung at Field PR15A and PR15B with Kg. Asli Runchang.</p> <p><u>Detas Estate</u> - Based on site visit, boundary mark between the estate with FELCRA, Ladang Wideka Jaya Sdn Bhd, Lembaga Kemajuan Pertanian Pahang Pulau Manis and Kg. Mencupu (Orang Asli Jakun) are visibly maintained.</p> <p><u>Mekassar Estate</u> - Based on site visit, boundary mark between the estate with private smallholders at Field PM09B and also the boundary at PM08C and PM09B with secondary forest are visibly maintained. It was verified that boundary poles were evident along the border of Mekassar Estate and a smallholder's estate at Field 04G. Boundary poles were also sighted as follows:</p> <ul style="list-style-type: none"> <li>- Block PR16A and PR16B (bordering Manna Estate);</li> <li>- Block 98A (bordering Tanah Makmur Berhad);</li> <li>- Block PR 18F (bordering Kg Tanjung Asli).</li> </ul> <p><u>Merchong Estate</u> -At Merchong Estate, six boundary marker poles were sighted at Field 10D.</p> <p>All corrective action is found effective. Status : Close</p>
4.3.4	Major MAR 01 2017	<p>The subsidence of peat soils monitored but found to be in wrong method.</p> <p>Objective evidence: An annual average of 60cm (between 50 - 70cm) below ground surface as</p>	<p>Corrective action plan: Water gauge and piezometer have been installed in the proper way to acquire readings;</p> <ul style="list-style-type: none"> <li>1. Appendix 2(a) Water level monitoring record for peat soil</li> <li>2. Appendix 2(b) Photos of piezometer and water</li> </ul>	<p>Bukit Leelau Estate had 98 Hectares of peat soils in 5 separate blocks as shown in the soil map. It was observed during the visit to the peat areas in Bukit Leelau Estate that Water level markers to measure water levels in drains and piezometers to measure ground water levels had been installed and records of correct readings</p>

## RSPO PUBLIC SUMMARY REPORT

		measured in water collection drains, through a network of appropriate water control structures e.g. at the discharge points of main drains, the reading found to be wrong method at wooden stick (field 98A).	gauge installed at peat area for ground water level measurement on 18/9/2017. 3. Appendix 2(c) Training on measuring ground meter water level for peat soil using piezometer and water gauge was conducted on 21/9/2017 for field staff and executives of Bukit Leelau Estate.	had been taken. Water management was carried out using sand bag bunds and water markers. Water levels were maintained at 50 to 75 cm height from ground level as documented in the StOP. At time of visit water levels were well managed.  All corrective action is found effective. Status : Close
5.2.1	Major MRS 02 2017	Area of HCV attribute and HCV map were not updated in the HCV Assessment Report  Objective evidence : The HCV Assessment Report has yet to update on figure and map of HCV area: 1. Bukit Leelau Estate – area of worshipped (HCV 6) 2. Leepang A Estate – Felcra Gucci was not updated in the HCV map (Annex 3)	Corrective action plan: The HCV Assessment Report and map has been updated for both Bukit Leelau and Leepang A Estate by including the worshipping area and Felcra Gucci. Please refer to; Appendix 3a(i) Page 6 of HCV Report for Bukit Leelau Estate (worshipping area) Appendix 3a(ii) HCV map for Bukit Leelau Estate (worshipping area) Appendix 3b(i) Page 10 of HCV report for Leepang A Estate (Felcra Gucci) Appendix 3b(ii) HCV map for Leepang A Estate (Felcra Gucci)	The HCV Assessment Report and map has been updated for both Bukit Leelau and Leepang A Estate by including the worshipping area and Felcra Gucci.  All corrective action is found effective. Status : Close
5.2.5	Minor MRS 03 2017	Negotiated agreement to safeguards on HCV area (cemetery) set-asides for local communities was not evident.  Objective evidence : Leepang A Estate has set-aside an area of 4 acres at Field PM02L for Orang Asli cemetery for Kg. Gadak which neighbouring with the estate. Stakeholder consultation with the community had been conducted during initial SIA assessment in 2011. However, negotiated agreement in accordance to FPIC principles to safeguard the cemetery was not evident.	Corrective action plan: A meeting was held between the chairman of Kg. Gadak JKKK and IOI Plantation management in Kg. Gadak on 5/10/2017 regarding this issue. A written agreement stating that IOI shall allocate and safe guard the existing area of 4 acres at Field PM02L which is used as Kg. Gadak Orang Asli cemetery for as long as the land is under tenure of IOI Plantation was prepared and signed by both parties. Please refer to: Appendix 4a(i) Attendance list of meeting with Kg. Gadak representative Appendix 4a(ii) Photos of meeting with Kg. Gadak representative Appendix 4b Minutes of meeting with Kg. Gadak representative Appendix 4c Copy of agreement between Leepang A Estate management and chairman of Kg. Gadak JKKK.	All corrective action is found effective. Status : Close

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Attachment 7

### RSPO Certification Time-bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (31 August 2018)

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units	Certification Body
1.	Pamol (Sabah) POM, Sabah	May 2008	Re-Certified in December 2016	Included Sugut Estate as an additional supply base through the scope of certification extension in September 2017 RSPO ASA-01.	No outstanding issues	Intertek
2.	Sakilan POM	Nov 2008	Re-Certified in Mar 2015	ASA-03 completed in December 2017.	No outstanding issues	BSI
3.	Pamol Kluang POM	Mar 2009	Re-Certified in Mar 2015	ASA-03 completed in Dec 2017	No outstanding issues	BSI
4.	Gomali POM	Aug 2009	Re-Certified in Aug 2015	ASA-03 completed in May 2018	No outstanding issues	Intertek
5.	Baturong POM	Sept 2009	Re-Certified in Oct 2015	ASA-03 completed in July 2018.	No outstanding issues	Intertek
6.	Bukit Leelau POM	Apr 2010	Re-Certified in Nov 2015	ASA-02 completed in September 2017	No outstanding issues	SIRIM
7.	Mayvin POM	Aug 2010	Re-Certified in Dec 2015	ASA-02 completed in October 2017	No outstanding issues	Intertek
8.	Pukin POM, Pahang	Dec 2010	Re-certified in June 2016	ASA-02 completed in March 2018	No outstanding issues	Intertek
9.	Leepang (Sabah) POM	Aug 2012	Certified in Dec 2013	ASA-04 completed in October 2017.	No outstanding issues	Intertek
10.	Syarimo POM	Sept 2012	Re-certified in Mar 2018	Recertification audit completed in January 2018.	No outstanding issues	Intertek
11.	Ladang Sabah POM	Oct 2012	Re-certified in July 2018	Recertification audit completed in January 2018.	No outstanding issues	BSI
12.	Morisem POM, Sabah	Sept 2013	Certified in Dec 2013	ASA-04 completed in September 2017.	No outstanding issues	Intertek
13.	IOI – Pelita,	Planned - 2020	Uncertified Unit	New certification for IOI – Pelita (Sarawak) is pending resolution of land dispute and RSPO	Grassroots has officially withdraw themselves as the complainer for IOI-Pelita land dispute case on	

## RSPO PUBLIC SUMMARY REPORT

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units	Certification Body
	Sarawak			decision. No POM yet.	<p>22nd June 2018 and is signing an agreement with IOI on being the facilitator for the dispute resolution. Grassroots withdrawal as the complainer are seen to avoid the "Conflict of Interest" if they are going to sign an agreement with IOI on this case.</p> <p>IOI has continued to work closely with all its stakeholders especially Grassroots and RSPO Complaints Panel (CP) concerning the IOIPelita case to resolve this long-standing dispute.</p> <p>IOI provided the communities with a list of local NGOs and legal advisors who could provide the communities with impartial and expert advice, a service that would be paid for by IOI. Furthermore, on August 11th IOI, local NGOs and the lead facilitator held a day-long workshop with the community leaders in Miri to discuss the Draft Resolution Plan and brief them on the facilitation and capacity building services they could provide to the affected communities.</p> <p>The ground team has actively conducted land survey procedure in Tegai Estate involving communities and cooperation from Sarawak Land Survey Department in July 2018. The data obtained from the survey will be used in the compensation mechanism with the communities hence resolving dispute in the area.</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p><a href="https://rspo.org/members/complaints/statusof-complaints/view/4">https://rspo.org/members/complaints/statusof-complaints/view/4</a>.</p>	
14.	Unico POM-1, Sabah	Planned - 2018	Certified in July 2018	RSPO certification has been successfully granted. Issued date: 5 July 2018	No outstanding issues. Outgrowers are not part of the certified area.	Intertek
15.	Unico Desa POM-2, Sabah	Dec 2017	Certified in May 2018	RSPO certification has been successfully granted. Issued date: 16 May 2018	No outstanding issues. Outgrowers are not part of the certified area	Intertek
16.	PT SKS, Indonesia	Planned – 2019	Uncertified Unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental 'Hak Guna Usaha' (HGU) application in progress.	Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of January 2018.	

## RSPO PUBLIC SUMMARY REPORT

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units	Certification Body
					<p>IOI received a letter from RSPO Complaints Panels's dated on 12th July 2018 in regard to the final decision on the complaint. Few additional recommendations were highlighted in their letter. Further and updated progress of this issue could be access through the link below;  <a href="https://rspo.org/members/complaints/statusof-complaints/view/80">https://rspo.org/members/complaints/statusof-complaints/view/80</a>.</p> <p>Certification preparations in progress. As part of the preparation, Certification Body had been engaged to conduct the gap assessment. The gap assessment was conducted in end of August 2018. Pending issuance of HGU.</p>	
17.	PT BNS, Indonesia	Planned - 2019	Uncertified Unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental HGU application in the process.	<p>Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of January 2018.</p> <p>IOI received a letter from RSPO Complaints Panels's dated on 12th July 2018 in regard to the final decision on the complaint. Few additional recommendations were highlighted in their letter. Further and updated progress of this issue could be access through the link below;  <a href="https://rspo.org/members/complaints/statusof-complaints/view/80">https://rspo.org/members/complaints/statusof-complaints/view/80</a></p> <p>Certification preparations in progress. Pending issuance of HGU.</p>	
18.	PT BSS, Indonesia	Planned - 2019	Uncertified Unit	Acquired in 2009 (new concession land). No POM yet, still in development phase. Governmental 'Hak Guna Usaha' application in progress.	<p>Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of January 2018.</p>	
19.	PT KPAM, Indonesia	Planned - 2020	Uncertified Unit	Acquired in 2010 (new concession land). No POM planned yet, all necessary permits are up to date.	<p>RSPO has approved PT.KPAM NPP Summary Report and was published in RSPO website for public notification on 13 April 2018. The NPP public notification could be assessed through the link below:  <a href="https://rspo.org/certification/new-plantingprocedures/public-consultations/loi-group-ptkalimantan-prima-agro-mandiri">https://rspo.org/certification/new-plantingprocedures/public-consultations/loi-group-ptkalimantan-prima-agro-mandiri</a>.</p>	

## RSPO PUBLIC SUMMARY REPORT

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units	Certification Body
					<p>HCSA Peer Review Assessment completed on 14 May 2018. The HCSA Peer Review Report and Summary Report could be assessed through the link below:</p> <p><a href="http://highcarbonstock.org/registered-hcsassessments/">http://highcarbonstock.org/registered-hcsassessments/</a></p>	