



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

**File Ref: EL04190001**

**RSPO PUBLIC SUMMARY REPORT**

**CLIENT : LAM SOON PALM OIL MILL CERTIFICATION UNIT**  
**PARENT COMPANY : LAM SOON CANNERY PRIVATE LIMITED**

**RSPO MEMBERSHIP NO.: 2-0909-18-000-00**

**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	
LAM SOON POM CU	Lam Soon Palm Oil Mill	5.254373 N	118.174882 E	28 km off Lahad Datu - Sandakan Highway, 91109 Lahad Datu, Sabah, Malaysia.
	Lam Soon Estate	5.244980 N	118.167033 E	

**MAP :** See Attachment 1

**AUDIT DATE :** 5-8 June 2018

**DURATION :** 12 auditor days

**TYPE OF AUDIT :** ☒ Annual Surveillance Audit 1

☐ 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 the Identity Preserved Supply Chain Model

**VALIDITY OF RSPO CERTIFICATE : 25/8/2017-24/8/2022**

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

Non-conformity Report(s) ☒

List of additional site(s) ☐

**Report by Audit Team Leader**

**Acknowledgement by Client's Representative**

**Name :** Mohd Zulfakar Kamaruzaman

**Name :**

**Signature :**

**Signature :**

**Date :** 9 November 2018

**Date :**

13 November 2018

## RSPO PUBLIC SUMMARY REPORT

### SUMMARY OF AUDIT

Stage 2 Audit				
On-site audit date :	3-5 May 2017		No. of auditor days :	9 auditor days
Audit team :	Mohd Zulfakar Kamaruzaman (LA), Rozaimée Ab Rahman, Mohd Razman Salim			
No. of major NCR :	8	2.1.1, 4.6.11, 4.8.1, 5.1.1, 5.2.1, 5.2.2, 6.9.1, D 3.1 (Supply Chain)		Closing date : 2 August 2017
No. of minor NCR :	6	2.1.2, 2.2.2, 4.7.5, 5.2.3, 5.2.4, 6.5.3		
Indicate the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	<b>x</b>			<b>x</b>
	Contract workers	NGOs	Govt. agency	Independent growers
		<b>x</b>	<b>x</b>	
	Indigenous people	Contractor	Others (Please specify)	
		<b>X</b>		
Supply base sampled :	Lam Soon Estate			

Annual Surveillance Audit 1				
On-site audit date :	5-8 June 2018		No. of auditor days :	12 Auditor Days
Audit team :	Mohd Zulfakar Kamaruzaman (LA) , Rozaimée Ab Rahman, Selvasingam T. Kandiah, Suzalina Kamaralarifin (Supply Chain) Dzulfikar Azmi (Observer)			
No. of major NCR :	8	Indicator: P & C: 4.1.1, 4.4.2, 4.7.2, 4.7.3, 6.12.3 Supply Chain :5.3.2, 5.6.1, 5.13.1		Closing date : 3 Sept 2018
No. of minor NCR :	3	Indicator : 4.1.2, 4.3.3, 5.6.3		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	<b>x</b>			<b>x</b>
	Contract workers	NGOs	Govt. agency	Independent growers
			<b>X</b>	
	Indigenous people	Contractor	Others (Please specify)	
	NA	<b>X</b>		
Supply base sampled :	Lam Soon Estate			
Changes since the last audit :	No changes.			
Justification of audit planning :	Total allocation of auditor days for Lam Soon CU were: Mill = 7 days (6 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 6 days each 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 Mohd Daud		Approval date : 17 Sept 2018	

Annual Surveillance Audit 2				
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	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractors	Others (Please specify)	

## RSPO PUBLIC SUMMARY REPORT

Supply base sampled	:	
Changes since the last audit	:	
Justification of audit planning	:	
Report approved by	:	Approval date :

Annual Surveillance Audit 3				
On-site audit date	:	No. of auditor days :		
Audit team	:			
No. of major NCR	:	Indicator:	Closing date :	
No. of minor NCR	:	Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers / Local communities	Suppliers
	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 :		

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	Suppliers
	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
<b>Projection Period</b>	Dec 2015 – Nov 2016	June 2018 – May 2019			
<b>Certified FFB Processed (MT)</b>	127,620.00	105,300.00			
<b>Production of Certified CPO (MT)</b>	28,395.00	23,429.25			
<b>Production of Certified PK (MT)</b>	6,381.00	5,265.00			
<b>Certified Areas (Ha)</b>	5,885.00	5,885.00			
<b>Planted Areas (Ha)</b>	5,684.00	5,684.00			
<b>Production Areas (Ha)</b>	4,415.00	4,415.00			
<b>HCV Areas</b>	119.00	119.00			
<b>REMARKS</b>	-	-			

**TABLE 2**

	PO	PK
<b>Last years certified volume (MT)</b>	28,395.00	6,381.00
<b>Last years actual certified sold (MT)</b>	755.07	3,063.75
<b>Last years actual sold under other schemes (MT)</b>	-	-
<b>Last years sold conventional (MT)</b>	21,184.36	1,774.07
<b>New year certified volume (MT)</b>	23,429.25	5,265.00

## RSPO PUBLIC SUMMARY REPORT

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3.4 All associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, are audited within 3 years from when their fruit was first included in the mill certification.	10
3.5 Any new acquisition which has replaced primary forests or HCV areas	10
3.6 Other changes (e.g. organizational structure, new contact person, addresses, etc.)	10
3.7 Status of previous non-conformities * (refer to Attachment 6)	10
3.8 Complaint received from stakeholder (if any)	10
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## RSPO PUBLIC SUMMARY REPORT

### 1.0 AUDIT PROCESS

#### 1.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognized 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. Zulfakar Kamaruzaman	Auditor Team Leader / Social & HCV	Holds a B.Sc. Forestry. He had several years of working experience in the oil palm operation. He is a qualified RSPO P&C and RSPO Supply Chain Lead Auditor.
Rozaimiee Ab Rahman	Auditor / Safety and Environment	Holds a B.Sc. in Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm operation.
Selvasingam T Kandiah	Auditor / GAP, Health & Safety related to plantation	Holds a B.Sc. (Hons) in Agriculture, he had work as a planter with Kumpulan Guthrie Berhad for more than 10 years including one year in Liberia and 2 years in Estate Department in Guthrie Headquarters.
Suzalina Kamaralarifin	Auditor / Supply Chain	Holds a B.Sc. in Chemical Industry. She had more than 5 years of working experience in oil palm related industry i.e. palm oil mill and oleo chemical refinery. She is a qualified RSPO Supply Chain Lead Auditor.

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### 1.3 Audit methodology

The audit covered the Lam Soon palm oil mill and its supply base, i.e. the Lam Soon Estate. The audit included an on-site audit to the estate, mill and settlers' houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors, local NGO's 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 8 months from this audit.

## 2.0 SCOPE OF CERTIFICATION AUDIT

### 2.1 Description of the certification unit

The Lam Soon Plantations Sdn Bhd. (here after referred to as LSPSB) is one of the subsidiary under the Lam Soon (M) Bhd. The company was incorporated in 1978 as Pacific Cocoa Plantations Sdn. Bhd., which was then changed to Lam Soon Plantations Sdn. Bhd. in July 2000. The core business of Lam Soon Plantations Sdn. Bhd. is oil palm plantation. Currently, LSPSB had only oil palm estates and palm oil mill. The oil palm estate and mill is located in Lahad Datu, Sabah, East Malaysia. The Lam Soon Estate consisted of two divisions; the KK estate division and the KL estate division. The palm oil mill commenced operations in 1997 with a processing capacity of 45 metric tonnes of fresh fruit bunches (FFB) per hour. The estate had been fully developed before the year of 2005.

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

The FFB sourced from company owned estates that are certified. Details of the FFB contribution from each source to the Lam Soon Palm Oil Mill are shown in the following tables:

Table 1: Actual FFB production by the supply base for the period from June 2017 to May 2018

Estates	FFB Production	
	Tonnes	Percentage (%)
Lam Soon Estate	100,443.49	100%
<b>Total</b>	100,443.49	100%

Table 2: Projected FFB production by the supply base for the next reporting period June 2018 to May 2019

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Lam Soon Estate	105,300	100%
<b>Total</b>	105,300	100%

Table 3: Actual FFB received and CPO & PK dispatch by Lam Soon POM for period from June 2017 to May 2018

	Total (MT)
FFB Received	100,443.49
FFB Processed	100,443.49
CPO Production	21,939.46
PK Production	4,837.87
CPO delivered as RSPO certified	755.07
CPO delivered as non-RSPO certified	21,184.36
PK delivered as RSPO certified	3,063.75
PK delivered as non-RSPO certified	1,774.07

Table 4: Projected FFB received and CPO & PK dispatch by Lam Soon POM of next reporting period June 2018 to May 2019

	Total (MT)
FFB Received	105,300.00
FFB Processed	105,300.00
CPO Production	23,429.25
PK Production	5,265.00
CPO delivered as RSPO certified	23,429.25
CPO delivered as non-RSPO certified	-
PK delivered as RSPO certified	5,265.00
PK delivered as non-RSPO certified	-



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Table 5: Planted and certified area of the Lam Soon CU

Estate	Planted (ha)	Certified (ha)
Lam Soon Estate	5,684	5,885
<b>Total</b>	5,684	<b>5,885</b>

Table 6: Planting profile for Lam Soon Estate

Year of planting	Planting cycle ( 1 <sup>st</sup> , 2 <sup>nd</sup> , etc. Generation)	Mature / Immature	Planted area (ha)	% planted area
1990	1 <sup>st</sup>	Mature	189	3.32
1993	1 <sup>st</sup>	Mature	569	10.02
1994	1 <sup>st</sup>	Mature	1081	19.02
1995	1 <sup>st</sup>	Mature	254	4.46
2010	2 <sup>nd</sup>	Mature	575	10.17
2011	2 <sup>nd</sup>	Mature	380	6.68
2012	2 <sup>nd</sup>	Mature	441	7.76
2013	2 <sup>nd</sup>	Mature	437	7.69
2014	2 <sup>nd</sup>	Mature	489	8.60
2015	2 <sup>nd</sup>	Immature	460	8.10
2016	2 <sup>nd</sup>	Immature	434	7.64
2017	2 <sup>nd</sup>	Immature	375	6.60
<b>Total</b>			<b>5,684.00</b>	<b>100</b>

### 2.3 Organizational Information/Contact Person

The details of the contact person is as shown below:

Name	:	Mr. Lim Chan Khoon
Position	:	Plantation Director
Address	:	Lam Soon Management Service Sdn.Bhd Level 3, Wisma DLS No.6 Jalan Jurunilai U1/20 Hicom-Glenmarie Industrial Park Shah Alam 40150 Selangor Darul Ehsan
Phone no.	:	+6019-3251961
Fax no.	:	+603-5569-3604
Email	:	<a href="mailto:chankhoon@gmail.com">chankhoon@gmail.com</a>

### 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 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:

## RSPO PUBLIC SUMMARY REPORT

ii.	Are there any changes to the organization's time bound plan?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	If yes, comment in terms of acceptance or non-acceptance on the changes in the time-bound plan? <u>The time bound plan for Lam Soon Plantation is provided in Attachment 7 of this report.</u>				
iii.	Are there associated smallholders (including scheme smallholders) in the CU	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	If no, please state reasons                      Not applicable. There is no associated smallholders supplying FFB to the CU.				
iv.	Any new acquisition which has replaced primary forests or HCV areas	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	N/A				
3.3	Other changes (e.g. organizational structure, new contact person, addresses, etc.)				
	No				
3.4	Status of previous non-conformities *	<input checked="" type="checkbox"/>	Closed	<input type="checkbox"/>	Not closed*
	* If not closed, minor non conformity will be upgraded to major non conformity				
3.5.	Complaint received from stakeholder (if any)				
	No complaints from stakeholders were observed.				
<b>4.0</b>	<b>DETAILS OF NON-CONFORMITY REPORT</b>				
4.1	For P&C (Details checklist refer to Attachment 3) :				
	Total no. of minor NCR(s) (details refer to Attachment 4 )	List : 3	STK-02 2018, STK-03 2018, RAR 01 2018.		
	Total no. of major NCR(s) (details refer to Attachment 4)	List : 5	MZK 01-2018, STK-01.2018, STK-04 2018, STK-05 2018, RAR 02 2018		
4.2	For SC (Details checklist refer to Attachment 5) :				
	Total no. of minor NCR(s) (details refer to Attachment 5)	List : -	N/A		

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

List : 3

SKA. 01, SKA. 02, SKA.03

### 5.0 AUDIT CONCLUSION

The audit team concludes that the organization has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

### 6.0 RECOMMENDATION



No NCR recorded. Recommended to continue certification.



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

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



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



Recommended to continue certification.



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s) which have not been satisfactorily closed out within 90 days of the audit. Recommended for suspension of the certificate.

*Note: Major NCRs which are not addressed within a further 90 days shall result in the certificate being withdrawn.*

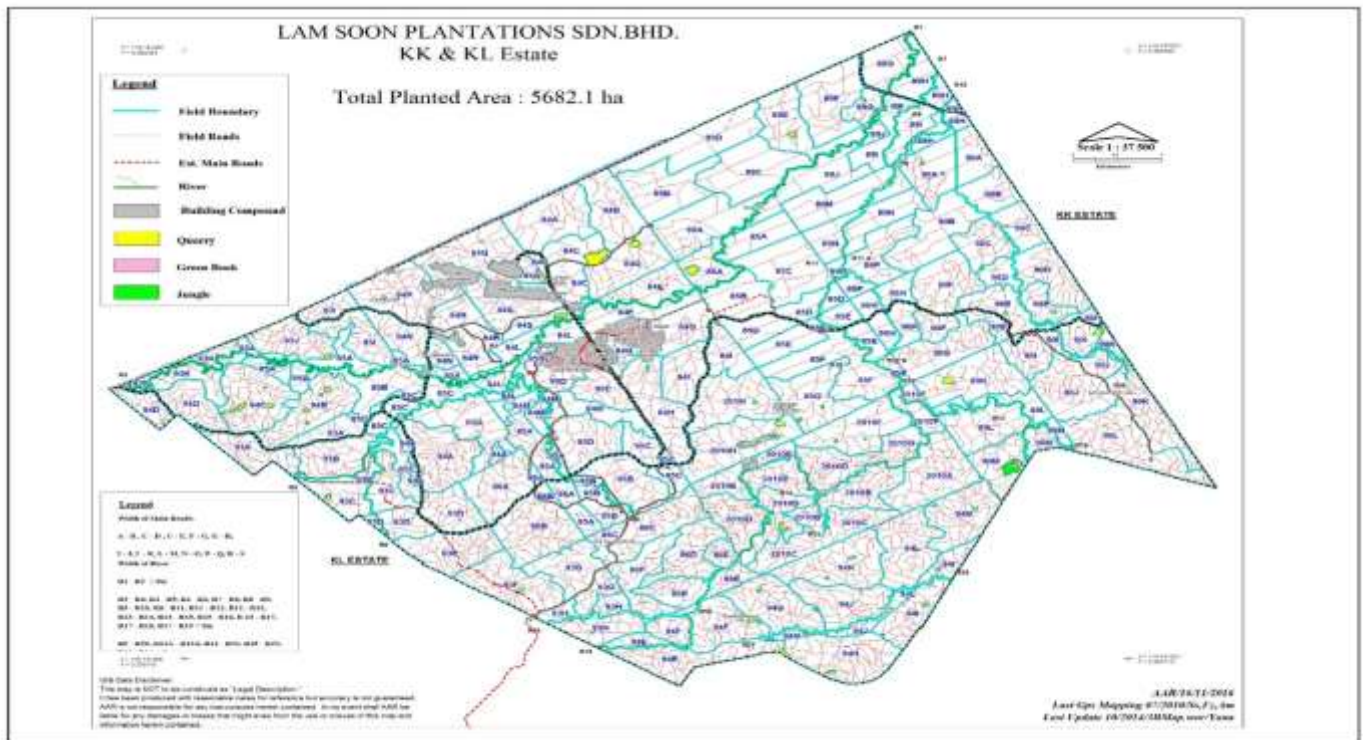
### 7.0 IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.

Audit Team Leader : MOHD ZULFAKAR  
KAMARUZAMAN  
(Name)

(Signature)

3/9/2018

(Date)



## RSPO PUBLIC SUMMARY REPORT

### RSPO SURVEILLANCE AUDIT PLAN

Attachment 2

#### SIRIM QAS INTERNATIONAL SDN. BHD.

**1. Objectives**

The objectives of the assessment are as follows:

- (i) To evaluate **Lam Soon CU** continued conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI) and RSPO Supply Chain Requirements
- (ii) To verify the effective implementation of corrective actions arising from the findings of last assessment.
- (iii) To make appropriate recommendations based on the assessment findings.

**2. Date of assessment** : 5 -8 June 2018

**3. Site of assessment** : Lam Soon Certification Unit

- Lam Soon POM
- Lam Soon Estate

**4. Scope of Certification** : Production of crude palm oil and palm kernel using **Identity Preserved** model

**5. Reference Standard :**

- a. RSPO P&C MYNI: 2014
- b. RSPO Certification Systems June 2007
- c. RSPO Supply Chain Standard, 2014
- d. Company's audit criteria including Company's Manual/Procedures

**6. Assessment Team**

Assessor: Mohd Zulfakar Kamaruzaman  
Selvasingam T Kandiah  
Rozaimie Ab Rahman  
Suzalina (Supply Chain Auditor)  
Dzulfiqar Azmi (Observer)

*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.

**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 programmed, 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.

## RSPO PUBLIC SUMMARY REPORT

10. Conflict of interest  
Auditors have not been employed by the organization concerned nor provided consultancy services relating to the development of its system in the past five years and next five years.
11. Working Language : English and Bahasa Malaysia
12. Reporting
  - a) Language : English
  - b) Format : Verbal and written
  - c) 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
13. 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
14. Assessment Programme Details : As shown below

## RSPO PUBLIC SUMMARY REPORT

### Day 1: 5 June 2018 (Tuesday)

Time	Activities / areas to be visited			
9.00 – 9.30 am	<b><u>Opening meeting at Lam Soon Estate/POM</u></b> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes <b>Organization Representative to brief on the following :</b> 1) RSPO implementation at Lam Soon CU (i.e. mill & supply base) including changes 2) Time bound plan for Lam Soon Plantation Sdn Bhd 3) Significant changes on organization activities, machinery, supply bases capacity etc.			Top mgmt & Committee Member
	<b>Rozaimée/Dzulfiqar</b>	<b>Zulfakar</b>	<b>Selvasingam</b>	
9:30 – 1:00 pm	<b><u>Lam Soon Estate</u></b> Coverage of assessment: P1, P2, P4, P5, P7, P8 - Laws and regulations - Environmental management (witness activities at site) - EIA, Environmental Plan. - Waste & chemical management - Interview with workers , committee and contractors - Safety Plan, HIRARC - Occupational safety & health practice – witness activities at site - Interview with workers , safety committee and contractors - Facilities at workplace - Continuous improvement	<b><u>Lam Soon POM</u></b> Coverage of assessment: P1, P2, P4, P5, P6, P7, P8 • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Complaints and grievances • Consultation with relevant government agencies • Training and skill development programmes • Continuous improvement	<b><u>Lam Soon Estate (Division A)</u></b> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 - Laws and regulations - Commitment to long-term economic and financial viability - Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) - EFB mulching, POME application - Plantation on hilly/swampy area - IPM implementation, training and safe use of agro-chemicals. - New planting - Facilities at workplace - Interview with workers , committee and contractors - Training and skill development programmes - Continuous improvement	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor
Pn Suzalina will come using flight (Will be confirm later) please arrange person to fetch her.				

## RSPO PUBLIC SUMMARY REPORT

Day 2: 6 June 2018 (Wednesday)					
Activities /areas to be visited	Rozaimie	Zulfakar	Selvasingam/Dzulfiqar	Suzalina	
9.00 – 1.00 pm	<u><b>Lam Soon Estate</b></u> Coverage of assessment: P1, P2, P4, P5, P7, P8 - Laws and regulations - Environmental management (witness activities at site) - EIA, Environmental Plan. - Waste & chemical management - Interview with workers , committee and contractors - Safety Plan, HIRARC - Occupational safety & health practice – witness activities at site - Interview with workers , safety committee and contractors - Facilities at workplace - Continuous improvement	<u><b>Lam Soon POM</b></u> Coverage of assessment: P1, P2, P4, P5, P6, P7, P8 • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Complaints and grievances • Consultation with relevant government agencies • Training and skill development programmes • Continuous improvement	<u><b>Lam Soon Estate (Division A)</b></u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 - Laws and regulations - Commitment to long-term economic and financial viability - Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) - EFB mulching, POME application - Plantation on hilly/swampy area - IPM implementation, training and safe use of agro-chemicals. - New planting - Facilities at workplace - Interview with workers , committee and contractors - Training and skill development programmes - Continuous improvement	<u><b>Lam Soon POM</b></u> Site visit and assessment on Supply Chain Implementation including the Model used <ul style="list-style-type: none"> <li>• General Chain of Custody System Requirements for the supply chain</li> <li>• Documented procedures</li> <li>• Purchasing and goods in</li> <li>• Outsourcing activity</li> <li>• Sales and goods out</li> <li>• Processing</li> <li>• Records keeping</li> <li>• Registration</li> <li>• Training</li> <li>• Claims</li> </ul>	Guide(s) for each assessor
1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				Guide(s) for each assessor



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Day 3: 7 June 2018 (Thursday)				
Activities /areas to be visited	Rozaimiee	Zulfakar	Selvasingam/Dzulfiqar	
9.00 – 1.00 pm	<p><b><u>Lam Soon POM</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>- Laws and regulations</li> <li>- Environmental management (witness activities at site)</li> <li>- EIA, Environmental Plan.</li> <li>- Waste &amp; chemical management</li> <li>- Interview with workers , committee and contractors</li> <li>- Safety Plan, HIRARC</li> <li>- Occupational safety &amp; health practice – witness activities at site</li> <li>- Interview with workers , safety committee and contractors</li> <li>- Facilities at workplace</li> <li>- Continuous improvement</li> </ul>	<p><b><u>Lam Soon Estate</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P6, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Land titles user rights</li> <li>• Social Impact Assessment (SIA), management plan &amp; implementation</li> <li>• Consultation with relevant government agencies</li> <li>• Interview workers, gender committee, local communities and stakeholders</li> <li>• Complaints and grievances</li> <li>• Consultation with relevant government agencies</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	<p><b><u>Lam Soon Estate (Division B)</u></b></p> <p>Coverage of assessment: P1, P2, P3, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>- Laws and regulations</li> <li>- Commitment to long-term economic and financial viability</li> <li>- Good Agricultural Practice- witness activities at site (weeding/ spraying, etc)</li> <li>- EFB mulching, POME application</li> <li>- Plantation on hilly/swampy area</li> <li>- IPM implementation, training and safe use of agro-chemicals.</li> <li>- New planting</li> <li>- Facilities at workplace</li> <li>- Interview with workers , committee and contractors</li> <li>- Training and skill development programmes</li> <li>- Continuous improvement</li> </ul>	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

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### 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	The CU has implemented procedure for responding to any communication as outlined in their Estate/Mill Quality Management System documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records reviewed were correspondences with the authorities and employees. LSP recognize efforts to nurture long-term sustainability and commitment to the environment is reflected in very practices and policies which entails best practices, care for the environment and managing the social aspects. LSP efforts in improving the worker's welfare was reflected through the award by the Labour Department, Lahad Datu as one of the best managed estate in handling workers' welfare. Among the policy established to address their commitment in managing the environment safety and social are: Environmental Policy, Social Policy, Occupational Safety & Health Policy and Ethical Business Conduct. In addition to those, LSP continued to use the internet for disseminating public information. Information relating to land titles (planting profile), safety and health plans, pollution prevention plans and the procedure for complaints and grievances were available at LSP website at <a href="http://lamsoonplantations.com.my">http://lamsoonplantations.com.my</a>
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	YES	Lam Soon estates and Lam Soon POM have identified personnel responsible for handling complaints. Records of communication (classified as internal and external) were identified and maintained in different files, depending on the stakeholders. Among the records reviewed were correspondences with the authorities, local communities and employees. The latest communications sighted in these records were the Logbook and Visitors request and response record. Some of the requests by employee include complaint on not enough water, toilet was broken and etc.
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	1.2.1	Land titles/user right	YES	Land titles for the Lam Soon POM and Lam Soon Estate were kept at the respective office.
		Occupational health and safety plans	YES	Occupational Health & Safety Plan was established at each site. Indicators set in the plan were being monitored. The progress of the monitoring was verified by the auditor.
		Plans and impact assessments relating to environmental and social impacts	YES	Plans and impact assessments relating to environmental and social impacts maintained available.
		HCV documentation summary	YES	Documents related to HCV was available.
		Pollution prevention and reduction plans	YES	Pollution prevention and reduction plans maintained available.
		Details of complaints and grievances	YES	The mill and estate had made available the documented system for dealing with complaints and grievances as follows : (1) Stakeholders Requests and Responses Procedure, (2) Grievances

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environmental or social outcomes.				Procedures and Stakeholders Consultations Procedure, and (3) A flowchart for complaints to management from external and internal stakeholders including whistleblower.
		Negotiation procedures	YES	Negotiation procedures such as 'Land Dispute Compensation and Calculation Procedure', 'Procedure For Calculating & Distribution Fair Compensation' and 'Grievances Procedure For Land Owner Issues' were available at both the estate and mill.
		Continual improvement plans	YES	Continuous improvement plans for 2018 are available for Lam Soon POM and Lam Soon Estate.
		Public summary of certification assessment report	YES	Public summary for RSPO certification assessment report can be assessed at SIRIM QAS website.
		Human Rights Policy	YES	A policy to respect human rights was established by the management of LSP. The audit team had interviewed workers, which confirmed that the policy was communicated to all of them.
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	Code of ethical conduct and integrity has been established and distributed to all staffs and workers. As verified through interview with local and foreign workers, all levels of the workforce have been briefed on the code of ethic.

### **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 general, Lam Soon CU continued to comply with most of the applicable local, national and ratified international laws and regulations. Relevant licenses and permits were verified at Lam Soon CU.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	YES	Document titled "List & summary of applicable laws & regulation" maintained available at LSP CU. The document was last updated in Jan 2018.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	The legal register was used as guidance in carrying out the periodic evaluation of compliance exercise. Through this exercise, the estate and mill obtained information about the status of their compliance to the applicable regulations. Appropriate actions the legal register has been used as guidance in carrying out the periodic evaluation of compliance exercise. Through this exercise, the CU determined their status of compliance with the applicable regulations. Appropriate actions shall be taken should there be any non-compliance found. Based on the verification of this exercise, the auditors confirmed that most of the non-compliance found have been acted upon.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	Changes to the law and regulation are monitored by the sustainability manager and officer. Various sources were referred in obtaining information about the updates of legal requirements. The CU maintained documented system for identifying and tracking the updates of the applicable legal requirements through various media such as LawNet, internet, newsletter, etc. The legal register management noted had been update accordingly.

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<p>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</p>	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	After the review of the document provided, it has been verified that the land titles were previously owned by Pacific Cocoa Plantations Sdn Bhd. The Pacific Cocoa bought land from the government of Sabah in April 1986. The Company has changed her named into Lam Soon Plantations Sdn Bhd in July 2000. The Land title is a Country Lease and also specified that the purpose of the planting is either for oil palm or agricultural crops for economic value. It can be confirmed that Lam Soon Plantations maintained and complied with the terms of the land title.
	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	In the field verification at Lam Soon Estate, it has been observed that the boundary stones were visibly maintained between the estate and the neighbouring private oil palm plantations.
	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	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Lam Soon CU since 1986. The audit team had confirmed that there were no land issues related to previous owners.
	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	As reported in 2.2.1 of this checklist, it has been verified that the land is legitimately owned by Lam Soon CU since 1986. Hence, there is no land conflict anticipated and no need for acceptable conflict resolution processes. The audit team has also interviewed relevant stakeholders and from the interviews, it can be concluded that there was no evidence of any land dispute at Lam Soon CU.
	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	As reported in 2.2.1, it has been verified that there is no conflict or dispute over the land. It has been further confirmed through interviews with relevant stakeholders, hence there was no need for the mapping to be carried out.
	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	As reported in 2.2.1 of this checklist, it has been verified that the land is legitimately owned by Lam Soon CU since 1986. Hence, there was no land conflict anticipated nor the need to avoid escalation of conflict is required. The audit team has also interviewed relevant stakeholders and from the interviews, it was confirmed that there is no evidence that the oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.

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<p>C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their FPIC.</p>	2.3.1	<p>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</p>	YES	<p>As reported in 2.2.1 of this checklist, Lam Soon CU has been developed since 1986. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office and was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate. Hence, there was no map showing the legal, customary, or user right of other users since 1986.</p>
	2.3.2	<p>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; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance</p>	YES	<p>There was no land dispute issue with any of the neighbouring private oil palm plantations. As reported in 2.2.1 of this checklist, Lam Soon CU has been developed since 1986. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office and was verified by the auditor. The audit team had also confirmed this through interviews of relevant stakeholders and based on the audit findings, copies of negotiated agreements on FPIC and other evidences required by these indicators a) to c) were not applicable to Lam Soon CU.</p>
	2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance</p>	YES	<p>As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator does not apply to Lam Soon CU.</p>

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	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	As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator does not apply to Lam Soon CU.
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### **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 (min.3years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	LSP continued to be committed to long term economic and financial viability. The annual budgets for 2018 to 2022 was sighted. The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc.
	3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, shall be available. Minor Compliance	YES	The long-range replanting program (LRRP) until 2025 were sighted for both Estates of LSP. This program was reviewed once a year and was incorporated in their annual financial budget.

### **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	In Lam Soon Plantation and mill, the SOPs for plantation and mill were documented and Oil Palm Agriculture Policy is the manual used for the operations in the estates. The manual was updated accordingly with the latest update in March 2017. It was confirmed that all activities in the estates from seedlings in nursery to planting in the fields have been included in the Manual. However, it was found that the SOP for Integrated Pest Management (IPM) in estates 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	The KK & KL estates monitored the good agricultural practices through on-site visits, inspections and discussions with relevant personnel and by conducting audits such as Internal Audits, RSPO Audits and visits by Plantation Director and Agronomists. The mechanism of ensuring consistent implementation was by visits by the Plantation Director and Agronomist report. However, the Minor NCR STK 02 2018 was issued as A. the standard operating procedure (SOP) Doc No.: LSPSB/LUD/SAFETY/SOP -08 – Pemandu Tractor was not complied with and B. sections 4.2 i) and 4.2. iii) of the Oil Palm Agricultural Policy of Lam Soon Management Services Sdn Bhd was not complied with.

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				<p>It was observed that:</p> <p>A. KL Estate: A wheel nut from each left and right wheels of trailer KL 42 A – 2001 towed by tractor ST652 T were missing.</p> <p>B. Palm circles and harvesting paths in Blocks 1994H (KL Estate) and Block 2015 F (KK Estate) were scruffy hindering accessibility and loose fruit collection.</p>
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	Records of monitoring and the actions taken by the estate continued to be maintained and kept for a minimum of 12 months. Monthly Progress, Monthly Costing and Annual Reports on monitoring of all activities were made available during the audit as well as official monthly reporting to MPOB. Among those records sighted at the estate included the Monthly Chemical consumption, Daily worker's activity, rainfall data, pest census, agrochemicals usage and Programme sheets for Fertiliser Application, Field upkeep, etc
	4.1.4	The mill shall record the origins of all third-party sourced FFB. Major Compliance	YES	Auditor has verified that there was no third party FFB supplier send their FFB to LSP POM. The CU is certified under the Identity Preserved supply chain model. Hence, this indicator is not applicable.
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in SOPs, are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	Both KK & KL Estates continued to provide evidence that good agriculture practices, as contained in the SOPs, were followed to manage soil fertility to a level that ensures optimal and sustained yield estate. The estates continued to practice the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention and EFB in replants and application in mature areas.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Records of programs and applications of fertilisers were made available to auditors. Fertiliser application program was monitored using records like program sheets, bin cards and Field Cost book. Records sighted showed that actual applied in 2017 was in line with program.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	From the reports made by the Agronomist, it was established that both estates have carried out periodic foliar and soil sampling to monitor changes in nutrient status. The latest foliar sampling was conducted in July 2017 and soil maps were made available to the auditors which were made based soil analysis conducted in Feb 2017.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues. Minor Compliance	YES	Lam Soon Plantation Sdn Bhd had a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose. There was no specific programme for EFB mulching and Effluent Solid application at the estates. The application was based on wherever possible area to be applied. The estate had maintained a good ground covers i.e. soft weeds, legumes, and fern. Bare ground condition was avoided. The ground cover is essential for slowing down surface run off of organic matter during rain and it also acts as a filter to trap the organic matter.
C 4.3 Practices minimize and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	YES	There were no fragile/marginal soils in LSP. Soil survey and assessment report was conducted by third party on Feb 2017.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25° unless specified otherwise by the company's SOP. Minor Compliance	YES	LSP had a management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. The policy of no planting on primary forest, on peat, no planting on very steep slope which is above 24 degrees as per Lam Soon Management Services Sdn Bhd-oil palm agricultural policy – New Planting & Replanting Oil Palm (March 2017).

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	4.3.3	A road maintenance programme shall be in place. Minor Compliance	NO	The estates had a motor grader, a compactor and a backhoe for road maintenance. For resurfacing, the estates had their own laterite pits and stone quarry. Heaps of laterite and stones was sighted at strategic points in estates. However, during the field visit, it was noted that some roads in both KK and KL Estates were not adequately maintained as per its road maintenance programmes. Minor NCR STK -03 2018 was thus issued.
	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	From the maps provided it was established that LPS had no peat soils.
	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	There were no peats soils in Lam Soon Plantation.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	YES	There were no fragile and problem soils in Lam Soon Plantation.
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 estates had in place and implemented water management plan. Plan for 2017 dated 3/01/2017 was sighted. The objective of the water management plan was to optimise water usage and improvements in water quality for workers usage in Lam Soon Estate area including housing sites, office, clinic, workshop, humana, surau and etc.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance	NO	The Estates had plans to continue protect water courses and wetlands including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estates. During the site review, Protection of water courses including maintaining and restoring appropriate riparian and other buffer zones was not maintained and documented. It was observed that: 1. KK Estate – “Effluent Solid” was sighted in water ways in Block 2010 C thus not complying to the requirement as per letter dated 23.04.2014 from Department of Environment Cawangan Sandakan 2. KL Estate – Riparian/buffer zones at Block 94 E and 94 F were not marked. The Major NCR STK 04 2018 was thus issued.
	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	Analysis of treated effluent discharge from the mill was conducted as per the license requirements and results of analysis were submitted to DOE through the ' <i>Borang Penyata Suku Tahunan</i> '. Report for 1 <sup>st</sup> quarter 2018 was reviewed by the audit team and noted that the analysis included the pH, BOD, COD, Suspended Solids, Ammonical Nitrogen, Total Nitrogen and Oil & Grease, and results were well below the regulatory limit.



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	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	YES	Process water is obtained from water catchment near to the mill. The water usage per tonne of FFB continued to be monitored on monthly basis. A slight inconsistent trend was noted. This was due to rainy season.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate IPM techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	YES	Both KK & KL Estates practiced IPM as the Agriculture Manual "Pest and Disease Policy". In order to reduce the quantity of chemical pesticides entering the environment, the IPM policy was based on preventive measures, monitoring crop damages, assessing the pest damages and choosing appropriate actions such as Cultural and Biological controls.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated.Minor Compliance	YES	It has been confirmed that the IPM program was among others included training. The training was conducted by the assistant managers and attended by all staff, sprayers and rat baiting applicators
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	LSP had demonstrated the Justification of all pesticides used. The use of selective products that are specific to the target pest, weed or disease and which had minimal effect on non-target species were used.
	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	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) were maintained and provided to auditors. Areas applied, quantity used and number of applications carried out were recorded in bin cards, program sheets, chemical register, field 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	Both KK and KL Estates continued to practice IPM to reduce the quantity of chemical pesticides entering the environment. In order to reduce the quantity of chemical pesticides entering the environment, the IPM policy was based on preventive measures, monitoring crop damages, assessing the pest damages and choosing appropriate actions such as Cultural controls, Biological controls and use of pheromones – using during replanting area by using female insect emits to attract mates during mating phase.
	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	YES	There was no evidence to show that pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, had been used on both KK and KL Estates.The chemical registers confirmed that the estates had only used class 2, 3, and 4 pesticides. The company had banned the use of Paraquat. Paraquat and in place used dichlorophenyl dimethylureat and monosodium methylarsonate which are class iii chemicals.

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		plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in acc. with USECHH Regs (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	On both estates, pesticides were only handled, used and applied by persons who have completed the necessary training and had always applied in accordance with the product label. Records showed that pesticides were handled, used and applied by trained workers and as per the CHRA, SDS, HIRARC and SOPs of the pesticides. The employees involved in the chemical handling such as the storekeepers, sprayers, fertiliser and rat bait workers were trained in chemical handling. They understood the hazards of the chemicals and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to them through the SDS training. It was also noted that SDS are available at all sites during the audit.
	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	YES	Both KK and KL Estates shared a common chemical store. The chemical store was observed to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. Record of the purchase, storage and used were maintained. The store was well ventilated with exhaust fans and was secured. Only the store keeper was authorized to manage the store.
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	On LSP application of pesticides were carried out by proven methods that minimise risk and impacts as per the CHRA, SDS, HIRARC and SOPs of the pesticides. As mentioned under 4.6.5, pesticides were handled only by trained personnel. Sprayers were trained by the ESH officer on spraying methods and the use of PPE. Latest training was conducted in March 2018. Chemical were premixed before transported to the fields for spraying. The PPE issuance records confirmed that PPEs were replaced as and required. HIRARC associated with the use of chemicals was established since May 2016.

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	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	There was no evidence of any aerial spraying had been carried in both KK and KL Estates.
	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	Evidence of continual training to enhance knowledge and skills of employees and on pesticide-handling was demonstrated by both estates. Information of the agrochemicals used by workers was communicated mainly via the morning muster. The aim was to disseminate correct information and ensure understanding regarding the usage and hazards of the agrochemicals. Interviewed during the spraying activities and fertilizer application noted that the information was understood by the workers.
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, demonstrated. Minor Compliance	YES	Lam Soon Plantation "schedule waste procedure" and "Pesticide container triple rinse procedure" – procedure for Labelling, Handling, Storage and Disposal of Scheduled Waste was established. At LSP Estate, disposal of waste materials related to pesticide containers were being carried out as per established procedures. Triple rinse of the empty chemical containers activities continually implemented for empty pesticide container. The rinsed containers were then pierced and stored prior disposing and disposed using approved DOE contractor.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, demonstrated. Major Compliance	YES	Re assessment for CHRA has been conducted by DOSH registered officer. Four work units were identified at both division, namely manure operators, spraying / nursery area operators, workshop area technicians, and chemical store keeper. Recommendations were provided and it was evident that LSP has carried out actions to address the findings.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	YES	The estates had policy which stated that no work with pesticides shall be undertaken by pregnant or breast-feeding women. At both estates, identification of pregnancy was done by the HA based on interview with their women workers on the last menstrual period dates. This interview was done during the monthly medical check-up. Pregnancy test was carried on doubtful cases. There was no evidence that the work with pesticides was undertaken by pregnant or breast-feeding women. This has also been confirmed through interviewed with workers. Monthly medical check-up for women sprayer is being carried out by VMO. Female sprayers pregnancy and breast-feeding status are being monitored.
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	YES	Lam Soon Plantations Sdn Bhd, Occupational Safety and Health Policy, signed by the Plantation Director and the policy was available in English and Bahasa Malaysia and were communicated to all employees through briefings by the OSH representatives. The policy was also displayed on the notice boards. Occupational health and safety (OHS) management plan had been established for, Lam Soon Estate since Jan 2017. The OHS management plan sighted addressed issues to meet the laws and regulation requirements operating unit were maintaining records of all activities covering the previous twelve months.

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The occupational health and safety plan shall cover the following:	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	NO	<p>The HIRARC procedure has been established. LSP Estate have conducted the risk assessment on all its operation as well as determining their control measures. Last review was carried out in Feb 2018 adding new activities such as mechanization (compactor, excavator, motor grader, backhoe), orchard, church, water pump, etc. Risk assessment on activities such as harvesting, spraying, manuring, pruning, weeding, pest &amp; disease, FFB evacuation, etc., have been carried out and control measures have been determined. Appropriate risk control measures had been determined and implemented for the respective activities and operation. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative control was sighted with safety signage were displayed at all work stations including mill office and workshop. On overall performance, OSH administrative controls implementation as well as engineering control equipment was found adequate during the assessment.</p> <p>LSP POM, the HIRARC record was last updated in Jan 2017 by the Assistant Engineer and approved by Mill Engineer. Among the updated HIRARC was related to workshop operation Water Sampling, working at sterilizer, etc. However, At LSP POM activity of security or patrolling has not been risk assessed. Thus, #major NCR RAR 02 2018 has been raised.</p>
	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	NO	<p>Communication on the hazards of chemical was given through awareness and training program to all workers involved in handling of dangerous chemicals. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Among the trained employees include sprayers and manuring operator. Field inspection and observation of spraying tasks confirmed chemicals were applied in accordance with the product safety precautions. MSDS was made available at point of use such as at fertilizer store and chemical store. Training and briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered as mentioned in Indicator 4.8.1. Based on the HIRARC carried out, the PPE types for the various station were identified and had been distribute to their workers. However, adequate and appropriate protective equipment were not available to all workers at the place of work. At time of visit the following was observed and the Major NCR STK 05 2018 was issued.</p> <ol style="list-style-type: none"> <li>1. KK &amp; KL Estate: A set of oxygen and acetylene cylinders in the welding store and another set in the workshop did have "flash back arrestors".</li> <li>2. Workers filling bags in the oil palm nurse (KK Estate) were not wearing the appropriate PPE and workers carrying out harvesting (KL Estate), manuring and spraying (KK Estate) were not wearing the appropriate shoes.</li> <li>3. The belting of the Air Compressor, SB PMT 489, was not fully protectively covered.</li> </ol>
	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	YES	<p>LSP has established their Safety and Health Committee organization chart. The committee was chaired by the Estate Manager and the secretary was a SHO (estate) and the mill manager and the chief clerk (mill). Among the agenda discussed in the meeting include Passing of previous minutes and arising matters, Medical Assistant Report (Monthly Accident statistics), Estate Inspection Report, PPE, Hirarc, Safety issues and Environmental related operation. Minutes were verified and the above agenda was adequately discussed.</p>

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	4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	YES	Lam Soon Estate and POM had adhered to Lam Soon SOP 'Prosedur persediaan dan tindakan Semasa Kecemasan, Penyiasatan Insiden Lam Soon Plantation Sdn Bhd'. Name of the Emergency Response Team (ERT) members and their contact numbers were displayed at the notice boards of respective sites as well as communicated to all workers. Telephone numbers of the Police Station, Fire Brigade, Immigration Department and Hospital were also included. The ERT comprised of trained First Aiders, Field Staffs, Mandores, Office Staff, and Workshop Operator and Security personnel. The Field Staff and Mandores are responsible for handling emergency at the field. During field inspection it was noted that all operating units had been provided with first aid boxes which were checked on a monthly basis by the Medical Assistants. Records of replenishment were verified by the auditor. Fire drill was conducted as planned. Drills conducted in April 2017. The records were reviewed and found to be satisfactory conducted.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	One clinic with qualified HA is provide for basic medical care. The clinic available for all workers and staffs of Lam Soon Estate and the POM. Serious cases were sent to the Lahad Datu Hospital which is about 60 km from Lam Soon. All employees were covered by accident insurance. Local workers are covered by SOCSO while for foreign works covered by insurance as required the Workmen Compensation Act 1952.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	NO	At LSP Estate accident statistics or record are being maintained and periodically reviewed during the quarterly 'Health and Safety' committee meeting. Minutes of meeting were reviewed. Accident free days without loss of man-days = 101 days or 6969 hours. Summary accident record "JKKP 8" form was submitted to DOSH department in Jan 2018. One accident was recorded in Jan 2017 with 55 days lost working day. Sighted an accident investigation has been carried out and HIRARC has been reviewed by OSH committee immediately after the accident occur. Report accident "JKKP 6" has been submitted immediately to DOSH on the same month. At LSP POM accident record has been maintained and submitted to DOSH department by yearly basis. Sighted latest submission in Jan 2018 for record of year 2017. There was no accident has been occurring in the mill. As per to date total days without accident was 543 days.
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	YES	Formal training programmes for 2018 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors by the LSP POM and LSP estates. Training Plan was established. Training needs identification matrix has been established with target dates for the training to be conducted. The training program includes ESH Legal & Other requirements, Safe handling of Electrical Equipment, Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000, Accident Investigation Techniques, Emergency Respond Plan Training etc
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	YES	Records for training were available and verified during the conduct of audit.

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### 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	LSP Estate has established its environmental aspects/impacts register associated with their activities and was updated in May 2018. Environmental aspect and impact (EAI) which covers from upstream activities such as chemicals spraying until FFB evacuation process was sighted during assessment. At the mill, the identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental receptors are the air emission from the boiler stack, the generation of the palm oil mill effluent (POME) and land contamination related to the management of scheduled wastes and domestic waste.
	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	<u>LSP POM - Significant Environmental Aspects and Mitigation measures</u> , Annual environmental Program, waste management and disposal plan to avoid or reduce pollution has been established with the control measures in the form of Procedures, Equipment / Material, Training / Communication for each operating station. Among of the plan indicates that the mill is to target BOD level less than 20 ppm for final discharge, the discharge of dust solid particles at 0.4g/Nm <sup>3</sup> . <u>LSP Estate - Environmental Impact Assessment Plan</u> , updated in May 2018 by the estate officer. The plan included the person(s) in charge and mitigating actions. A time table for monitoring has been established and monitored accordingly. Among the relevant plans and measures were the Environmental Impact Evaluation 2018/2019, Waste Management Action Plan 2018 & Pollution Prevention Plan 2018.
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a min. every 2 years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	YES	At LSP estates, mitigation measures were defined in the environmental impact assessment & pollution prevention plans (2018). The plan is to ensure proper control of the wastes in the estates to prevent pollution. The programme covers the activities, sources of pollution, effect to environment, prevention, and mitigation. The programme also indicated the proposed start and completion date, budget and person in-charge as well as the status/verification. As for LSP POM had developed a 'Pollution Prevention or reduction pollution' to monitor the effectiveness of the mitigation measures taken. The following indexes are being monitored: (1) Fuel and lubricant leakage discharged to the land, (2) Dust pollution and (3) Air pollution from vehicle.
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	5.2.1	Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape-level considerations. Major Compliance	YES	The report "High Conservation Value/Biodiversity Assessment of the estates Lam Soon Plantations is available. The study was conducted by third party and the report was completed on May 2017, amended in Jan 2018. The study had covered all the High Conservation Value (HCV)/Biodiversity within and adjacent to the 1 estates under Lam Soon CU.
	5.2.2	Where RTE species, or HCVs, are affected by plantation or mill operations, appr. measures that are expected to maintain & enhance them shall be	YES	The HCV Assessment report indicated that there is no threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations. There is only common bird sighted. The appropriate measures that are expected to maintain and/or enhance them were implemented through an action plan dated in Jan 2018, and made available in Lam Soon Estate.

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or mill management shall be identified and operations managed to best ensure that they are maintained and/or enhanced.		implemented through an action plan. Major Compliance		
	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	Although there was no RTE species found in the CU, Lam Soon still established their own disciplinary measures if any of their staff or workers found to capture, harm, collect or kill the RTE species. If found any activities to capture, harm, collect or kill RTE species, the estates will make a report to the Wildlife Department immediately. The Estate also make a statement dated in May 2017 that a disciplinary action is to be taken against those who are found to capture, harm, collect or kill RTE species.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>Outcomes of monitoring shall be fed back into the action plan.</li> </ul> Minor Compliance	YES	An action plan for year 2018 was made available at the Lam Soon Estate. The outcomes of monitoring were included in the HCV report. The outcomes of monitoring were included in the HCV report. Lam Soon Estate has conducted two Monthly monitoring of their Buffer zone and water catchment. No RTE species were found within the estates area.
	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 is no HCV set-asides with existing right of local communities in Lam Soon Plantations since CU are completely surrounded by other oil palm plantations.
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	LSP CU has documented identification of all waste product and sources of pollution. Environmental impact assessment and Pollution Prevention plans were then established to mitigate applicable identified waste product and source of pollution the plans was update in Mar 2018.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	Lam Soon Plantation "schedule waste procedure" and "Pesticide container triple rinse procedure"—procedure for Labelling, Handling, Storage and Disposal of Scheduled Waste was established. At LSP Estate, disposal of waste materials related to pesticide containers were being carried out as per established procedures. Triple rinse of the empty chemical containers activities continually implemented for empty pesticide container. The rinsed containers were then pierced and stored prior disposing and disposed using approved DOE contractor.

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	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	YES	Waste management and disposal plan to avoid and 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 estate operation. Mill wastes had been disposed as follows; EFBs were sent for mulching in the field, while crop residue/biomass i.e. fiber and shell were used as fuel in the boiler. On the monitoring of water and effluent discharge, a monthly and quarterly report for final discharge were submitted to DOE in a timely manner, as required by the written approval.
C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance	YES	The CU had established a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy. The plan contained in documented "fossil fuel reduction plan 2018". Among others, the plan contain source of usage, means to reduce usage, and monitoring. Among action observed were to write off every old tractor which consume more diesel and to regularly monitoring and check fuel pump injector. And for renewable energy, fibre and shell were continued to be used in the mill's boilers. The plan and usage of energy observed monitored monthly. At the estate operation, installation solar panel system at main gate 3 to provide electricity for street light, guard house and CCTV operation.
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Major Compliance	YES	It was observed that no land had been prepared by burning in the 2018 replants visited on both KK and KL estates. LPS continued to practise zero burning during replanting. Palms had been felled, windrowed, chipped, stacked and left to decompose. Both Estates had complied with LPS's "Environmental Policy" signed by the Plantation Director. The policy included a statement which does not allow or to practice open burning to be carried out.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Minor Compliance	YES	As stated under indicator 5.5.1, LPS practiced zero burning during replanting. This was verified during the visit to the various years of replants inclusive of the latest 2018 replants.
C 5.6 Preamble Growers and millers commit to reporting on operational GHG emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	YES	An assessment of identified polluting activities is being conducted and monitored, inclusive of gaseous emissions, particulate / soot emissions and effluent. The environmental aspect and impact (EAI) covers the upstream activities such as FFB reception until the downstream processes. At the mill, the identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental receptors are the air emission from the boiler stack, the generation of the palm oil mill effluent (POME) and land contamination which were related to the management of scheduled wastes and domestic wastes. The CU has established its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) which covers from upstream activities such as chemicals spraying until FFB evacuation process was sighted during assessment. Among the significant environmental aspects are the chemical (herbicide/fertilizer) which is associated with spillage and



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with current knowledge and methodology. It is also recognized 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 GHG, are developed, implemented and monitored.				leakage due to mishandling of chemical (water pollution and land contamination) which related to the management of chemical.																													
	5.6.2	Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	YES	The environmental aspect and impact was used to identify the GHG through Land Conversation, Crop Sequestration, Fertiliser, N <sub>2</sub> O from fertiliser, Fuel Consumption, Peat Oxidation. Plans to reduce or minimise them are in place. LSP CU also has plan to reduce emission from farm vehicle by conducted regularly inspection and to conduct maintenance 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	NO	<p>LSP 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 (apply November 2005 cut off for LUC) to calculate the data. The input data was verified however, there was wrong data input for total planted area and conservation area was not included in the data. Thus, minor NCR RAR 01 2018 has been raised. Amendment data by CU: Option 2:</p> <table><tr><td>Description</td><td>tCO<sub>2</sub>e/tProduct</td><td>Extraction</td><td>Value</td></tr><tr><td>CPO</td><td>1.04</td><td>OER</td><td>22.00</td></tr><tr><td>PK</td><td>1.04</td><td>KER</td><td>4.84</td></tr></table> <table><tr><td>Land Use</td><td>Ha</td></tr><tr><td>OP Planted Area</td><td>5562</td></tr><tr><td>OP Planted on Peat</td><td>0</td></tr><tr><td>Conservation (forested)</td><td>0</td></tr><tr><td>Conservation (non-forested)</td><td>0</td></tr><tr><td>Total</td><td>5562</td></tr></table> <table><tr><td>Production</td><td>t/yr</td></tr><tr><td>FFB Processed</td><td>97546.82</td></tr><tr><td>CPO Produced</td><td>21456.17</td></tr></table>	Description	tCO <sub>2</sub> e/tProduct	Extraction	Value	CPO	1.04	OER	22.00	PK	1.04	KER	4.84	Land Use	Ha	OP Planted Area	5562	OP Planted on Peat	0	Conservation (forested)	0	Conservation (non-forested)	0	Total	5562	Production	t/yr	FFB Processed	97546.82	CPO Produced
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### Summary of Plantation/field emissions and sink

Description	Own		
	tCO2e	tCO2e/ha	tCO2e/tFFB
Land conversion	52030.56	9.35	0.53
CO2 emission from fertiliser	2855.46	0.51	0.03
N2O emission	4485.73	0.81	0.05
Fuel consumption	1384.08	0.25	0.01
Peat Oxidation	0	0	0
Crop sequestration			
Sequestration in conservation area	-50309.95	-9.05	-0.52
Total	10445.88	1.88	0.11

### Summary of Mill emission and credits

Description	tCO2	tCO2e/tFFB
POME	16928.5	0.17
Fuel Consumption	1498.65	0.02
Grid Electricity Utilisation	0	0
Export of Excess Electricity to Housing & Grid	-799.76	-0.01
Sale of PKS	-916.61	-0.01

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				<table><tr><td>Sale of EFB</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>16710.78</td><td>0.17</td></tr></table>	Sale of EFB	0	0	Total	16710.78	0.17
				Sale of EFB	0	0				
				Total	16710.78	0.17				
				Palm Oil Mill Effluent (POME) Treatment						
				<table><tr><td>Diverted to compost</td><td>0%</td></tr><tr><td>Diverted to anaerobic digestion</td><td>100%</td></tr></table>	Diverted to compost	0%	Diverted to anaerobic digestion	100%		
				Diverted to compost	0%					
				Diverted to anaerobic digestion	100%					
				POME Diverted to Anaerobic Digestion						
				<table><tr><td>Diverted to anaerobic pond</td><td>100%</td></tr><tr><td>Diverted to methane capture (flaring)</td><td>0%</td></tr><tr><td>Diverted to methane capture (electricity generation)</td><td>0%</td></tr></table>	Diverted to anaerobic pond	100%	Diverted to methane capture (flaring)	0%	Diverted to methane capture (electricity generation)	0%
				Diverted to anaerobic pond	100%					
Diverted to methane capture (flaring)	0%									
Diverted to methane capture (electricity generation)	0%									

### 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,	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	YES	Lam Soon had conducted Social Impact Assessment (SIA) as verified on the SIA report titled 'Social Impact Assessment & Management Action Plans and Continuous Improvement Plans' Lam Soon Plantations Dec 2016/2021 dated in Dec 2016. The SIA report comprises individual reports for Lam Soon Palm Oil Mill and Lam Soon Estate. Each individual report contains maps of the estate, manpower statement, focus group discussions were held, number of participants who attended each session, number of internal and external stakeholders consulted, stakeholders' perspectives, issues that were raised, and proposed mitigation/enhancement measures.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	YES	Evidence that the assessment has been done with participation of the affected parties is contained within the SIA report itself. The SIA report states the various stakeholders who were consulted during Stakeholders Meeting in March 2017 with NGOs and Government departments, in Dec 2016 with neighbouring estates and contractors and suppliers, and Jan 2017 with workers housing representatives. The new stakeholder meeting was conducted in Mar 2018.

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implemented and monitored, to demonstrate continual improvement.	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, incl. responsibilities for implementation. Major Compliance	YES	Social action plan titled 'Social Impact Assessment and Management Action Plan' showing a Type of Improvement, solutions, person responsible, target date and Status was made available at respective sites. The action plan was developed in consultation with the affected parties during the meetings. Review of the SIA report indicated that the assessment has been done with participation of the affected parties.
	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	The 'Social Impact Assessment and Management Action Plan' for Lam Soon CU was reviewed in Jan 2018 and updated accordingly.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance	YES	There was no smallholder scheme available in Lam Soon CU. This has been verified by the Auditor.
C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	YES	The CU continues to refer to the documented consultation and communication procedures established by HQ, External and internal communication procedures developed by Lam Soon Plantation for the estates and mill maintained to be followed and available at the audited sites. Consultation and communications procedures for Lam Soon Plantation is documented in the Standard Stakeholders Requests and Responses Procedure, Grievances Procedures and Stakeholders Consultations Procedure, a flowchart for complaints to management from external and internal stakeholders including whistle-blower. This document was sighted during the audit. An examination of the records kept in the internal and external communication files found that the estates and mill followed the procedures and manuals developed by the company. In the case of internal communications, records of meetings, briefings and memos were sighted. Notices and posters / pamphlets observed displayed on notice boards at the office and the muster ground were also used as a means of internal communication. Regular morning briefings were used by the management to communicate policies, procedures, rules and regulations and other information to its employees. In the case of external communications, they were mainly in the form of correspondence, which were kept in the External Communication File.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	YES	A nominated management official responsible for handling the social issues was available at each of the operating unit. The Mill Manager of Lam Soon POM had appointed the Senior Assistant Manager for handling the social issues. For Lam Soon Estate, the estate has appointed Assistant Manager for the same purpose.

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	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	List of stakeholders that relevant to the company's operation such as neighbouring oil palm estates, local authorities and NGOs was made available at the visited site. The list was updated in Mar 2018 at Lam Soon POM and Lam Soon Estate. Lam Soon POM and Lam Soon Estate had conducted stakeholder's meetings and the minutes of the meeting of the consultation was also maintained.
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 whistleblowers, where requested. Major Compliance	YES	Lam Soon estate and mill have created a complaints form/book where complainant can fill up and submit to the office. Review of the records revealed that all the filled forms submitted by their staffs and workers requesting for house repairs. Most of the complaints were resolved within 2 to 7 days, depending on the complexity of the complaints. Lam Soon maintained affirms that its dispute system is open to any affected parties including whistleblower. A flowchart titled 'Grievances Process' was observed maintained available for sighted. Anonymity of complainants and whistleblowers will not be revealed to third parties. So far, there was no disputes happen at the audited sites.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	YES	Both the estate and mill have a system which indicated the status of the complaints. There were no disputes cases found at the audited sites. All complaints were satisfactorily resolved and in timely 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 express their views through their own representative institutions.	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	YES	Lam Soon POM and estate have a standard procedure for identifying social related issues called "Land Dispute Compensation and Calculation Procedure" and "Procedure For Calculating & Distribution Fair Compensation". The procedures defined details process of how compensation for any issues/disputes related to land, ownership and access to land, and ensures negotiations concerning compensation are dealt with. There was no evidence sighted at any of the estate and palm oil mill of any dispute on customary rights, boundary disputes, etc.
	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 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	YES	"Land Dispute Compensation and Calculation Procedure" and "Procedure For Calculating & Distribution Fair Compensation" detail out the procedures for calculating and distributing compensation in a fair manner. These procedures specify that it would take into account ethnic group, gender differences, etc. A flowchart to the same effect was also sighted. There is no evidence sighted at any of the estate and palm oil mill of any dispute on customary rights, boundary disputes, etc.

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	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 interviews with representative and records available, there is no evidence sighted at any of the estate and palm oil mill of any dispute on customary rights, boundary disputes, etc.
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	For the Lam Soon CU documentation of pay is in the form of monthly pay slips. Conditions of pay are contained in the workers' respective employment contracts. Samples of the monthly pay slips and employment contracts were made available and reviewed during the audit. Each pay slip documents the name of employee, month of pay, income, deductions, net salary, annual leave and medical leave taken, etc. Interview with workers reveal that they understand the contents of the pay slips and seeks explanation from the office whenever they needed any clarifications. Samples of payslips were also sighted and verified that workers are being paid in accordance with the requirements stipulated under the Minimum Wages Order 2016 and Employment Act 1955.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	YES	Workers and staff have their contracts of employment based on Sabah's Labour Ordinance. Contracts for local and Indonesian foreign workers at Lam Soon Estate and Lam Soon Palm Oil Mill were sampled. The terms and conditions of employment are contained in the employment contracts and include duration of employment, place of work, salary, working hours, medical benefits, accommodation, annual leave, sick leave, termination of service, and other benefits provided (housing, employment cost, etc). For contracts that were prepared in Bahasa Malaysia, explanation and briefing were given to the workers prior to signing. This was further confirmed by the workers during interviews.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible. Minor Compliance	YES	All staff and workers are staying at the same quarters area within Lam Soon Estate. Based on visits conducted, the houses provided were adequate, and in reasonably good conditions and comfortable. Interviews with the workers reveal that they were satisfied with the response to requests for any repair works. Each family was given one house. Single workers share between 2 to 3 persons per house. All houses were supplied with 24 hours of electricity (from mill generator set) and water supply (self-treated). Sundry shops, canteen, surau, chapel, creche, clinic and recreational facilities such as football field, volleyball and badminton court are also available.
	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	Lam Soon CU had demonstrated efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. There are 3 Sundry shop was available within the estates and Mill premises. For example, the sundry shop at Lam Soon Estate and POM sells basic daily needs including tobacco, beverages, rice, flour, cooking oil, etc. These shops also allow the workers to buy goods on credit basis and every shop has their own marketing, due to management prefer competitive for sake of workers. However, the estate allows the workers to shop outside the estate, not depend on shop in the Estate.

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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	Recognition of freedom of association is available in the Lam Soon Policy “ The Right of Freedom of Association of Employee” states that the company respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. This policy “The Right of Freedom of Association of Employee” is applicable throughout all operating units and is printed and translated in Bahasa Malaysia. The policy was seen displayed on notice boards in the estates and mill.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	As reported in previous audit and under the Sabah Land ordinance, the workers are not unionised. However, workers’ representatives have been appointed as members of the Workers Representative Committee and Women Committee in the estates and mill.
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	The list of workers which contains worker’s detail, including their dates of birth was reviewed for both the estate and mill. Observations were also made during field visits and during interviews with workers confirm that no one below 18 is employed in the estate and the mill. All estates and mill have a written policy against employment of child labour. The CU only hired workers with age more than 18 years old.
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	Lam Soon has develop Opportunity Equality Policy signed by Plantation Director and the policy was sighted at sites audited.
	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	A human rights policy, labour policy, special labour policy, Opportunity Equality Policy and ‘Polisi Pekerja Wanita’ sighted at estate and mill also state their commitment against unfair and discriminatory practices. The company does not practice discrimination based on race, caste, national, origin, disability, gender, sexual orientation, union membership, political affiliation, or age. A functioning grievance mechanism is in place. The <i>Persatuan Pekerja</i> and Gender Committee also looks into allegation of discrimination if reported. Based on records such as contract of employment, pay slip and insurance including interview with local workers, foreign workers, gender community representative and union representatives, revealed that no case of discrimination based on race, religion, gender, national origin or any other form of discrimination as stated in Criterion 6.8.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities,	YES	An inspection of job advertisements and records of hiring and promotion showed that they were based on skills, capabilities, qualities and medical fitness. Based on interviews with workers/staff at all the audited sites, they were appointed to their respective positions based on job availability, their experience and qualification. An interview evaluation form, and medical fitness report were sighted which shows an objective assessment of a candidate during a job interview.

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		qualities, and medical fitness necessary for the jobs available. Minor Compliance		
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	The estate and mill have established a Sexual Harassment Policy. The policy defines what constitutes sexual harassment, and states that it would comply with the relevant laws and increase awareness with regards to sexual harassment. The policy is written in the Bahasa Malaysia and displayed on the notice boards. All employees interviewed at the estate and mill confirmed that they have not encountered any form of sexual harassment.
	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	The Workplace Harassment Policy signed by the Plantation Director was available. The statement included commitment to protect the reproductive rights of women. The policy was also displayed at the estates and mill notice boards.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, & communicated to all levels of the workforce. Minor Compliance	YES	A grievance mechanism has been sighted at the estate and the mill titled 'Sexual Harassment Procedure'. It involves a flowchart 'Sexual Harassment Reporting Flowchart' which explains the process of grievance handling for both external and internal parties. At Lam Soon Palm Oil Mill and Lam Soon Estate, the flowchart is exhibited prominently near the entrance to the main estate/mill office. Chairman of Gender Committee at each sites responsible in handling and channeling issue to management, if any. Management has directed chairman of gender committee to respects and protects anonymity and complainants where requested.
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	This indicator was not applicable as the mill only received FFB from their own estate
	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 FFB were 100% supplied by Lam Soon Estate.
	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	Interviews were conducted with two transporter. Based on interviews conducted, the contractors understood the contractual agreements they entered into, including their rights and obligations. He informs that there is no fixed supply contract with the mill. The supplier also informed that dealings with the mill had been fair, legal and transparent.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	YES	Interview with FFB transporter confirmed that payments were made in a timely manner (maximum 30 days).
C 6.11 Growers and millers contribute to local	6.11.1	Contributions to local dev. that are based on the results of consultation with local	YES	The Lam Soon estate and the mill do provide contributions to the local communities. Lam Soon POM and Lam Soon Estate have employed local communities from Sabah. The contributions to local development were based on consideration of the main social issues.



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Sustainable development where appropriate.		communities demonstrated. Minor Compliance		
	6.11.2	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 scheme smallholders FFB supplier involved in Lam Soon CU.
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	YES	Both the estate and mill had adopted the Human Rights Policy which, among others, respects human rights and will not be complicit in human rights infringement. Interviews with workers and staff also confirmed that they entered into the employment voluntarily and freely. Equally, they are allowed to terminate their employment as per their terms of employment, without any penalty. Foreign workers also confirm that the job they are doing corresponds with what they were told on their home country. There was no evidence of contract substitution. Auditor had verified through interview with foreign workers (Indonesian), Workers representative, and gender committee representative at Lam Soon CU (consecutive of POM & Estate) that there were no forms of forced or trafficked labour were used. Foreign workers were allowed to keep their own passport as verified through interview. All employees work 8 hours a day and are paid overtime should this number of hours exceeded. Workers who work on rest days are also compensated in accordance with the Labour Ordinance.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	Foreign workers also confirm that the job they are doing corresponds with what they were told on their home country. There was no evidence of contract substitution.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	NO	Special labour policy for employment of foreign workers has been addressed in the 'Polisi Khas Pekerja' dated in Feb 2017. The policy stated that foreign employees should be treated fairly in terms of recruitment, terms and conditions of work, provide decent living, no contract substitution and post arrival programme. Noted that the auditor has found that several workers with no permit were still working in the estate without permission from immigration department where they didn't have the 'Pass Lawatan Kerja Sementara' (PLKS) as per SOP, even though the quota has been guaranteed by the Immigration Department, Therefore, Major NCR MZK 01 2018 has been raised.
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	The policy to respect human rights are documented in the Lam Soon Human Right Policy dated in Feb 2017. This Policy states among others, that it will develop its businesses with a sense of humanity, ensuring that they are socially beneficial and do not infringe on basic human rights. This Policy is exhibited on notice boards (muster ground, AP post, nursery) of the Lam Soon Estate and Lam Soon POM.
	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	YES	The Lam Soon CU had obliged and engaged in the process to secure children of foreign workers access to education by allowing and assisting the establishment of CLC school at their plantations. According to their ages, the children of foreign workers at CU attend either the Community Learning Centre (CLC), both of which are located at Lam Soon Estate. The buildings were maintained by the Estate, as well as costs of water and electricity. Teachers' accommodation are provided by Estate. Lam Soon Estate CLC school caters for pupils aged between 6 to 12 years.

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these children access to education as a moral obligation.  
Minor Compliance

### Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Lam Soon CU has no plan for any new planting and new development of area. Auditors has verified through checking the [www.globalforestwatch.com](http://www.globalforestwatch.com), GOOGLE Maps, Estate Maps and also through site visit to the estates area; Lam Soon Estate. Based on the audit findings, it is confirmed that there were no new planting or new development of areas at Lam Soon CU. This has been observed during the visit.

### 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: Major Compliance		
	a)	Reduction in use of pesticides(Criterion 4.6);	YES	Both KK and KL Estates were committed to reduce use of pesticides. Pesticide reduction plan for 2018 was sighted. This was by: <ul style="list-style-type: none"> <li>manage pests, disease and weeds using appropriate IPM techniques.</li> <li>Planting of beneficial plants mainly <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>.</li> <li>to Spray weeds, circle and path only when required and as per program.</li> <li>Encourage growth of soft weeds and <i>Nephrolepis bisserata</i> in the inter rows.</li> <li>EFB was applied in single layers and was not dumped in large amounts to prevent breeding of Rhinoceros Beetles.</li> <li>to ensure efficient loose fruit collection by carrying out circle raking.</li> <li>to ensure efficient loose fruit collection was carried to avoid VOPs from growing.</li> <li>For control of Rhinoceros Beetle, pheromone traps to be used</li> <li>To establish good cover crop during replanting.</li> </ul>

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	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	<p>The CU maintained efforts to improve continuously its environmental management. Among the relevant plans and measures were:</p> <ul style="list-style-type: none"> <li>• reduction of diesel usage / GHG emission.</li> <li>• reduction of POME generation.</li> <li>• maintain water quality.</li> <li>• reduce soil erosion.</li> <li>• reduce usage of chemical.</li> <li>• reduce land contamination</li> <li>• improve soil fertility</li> <li>• reduce waste</li> <li>• installation of biogas plant (Long Term Plan)</li> </ul>
	c)	Waste reduction (Criterion 5.3);	YES	<p>Among the type of wastes are agricultural organic wastes, rubbish, used oils, used batteries, empty pesticide containers, clinical waste, scrap iron, wastewater, etc.</p> <p>Non-reusable empty chemical containers were disposed as per relevant requirements of scheduled wastes. Reusable agrochemical containers were used for collecting of triple-rinsing wastewater. Scheduled wastes were labelled with relevant information and hazard sign, and disposed to DOE's licensed contractor.</p>
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	<p>The CU continued to establish and implement GHG emission reduction plan to identify the waste products and sources of pollution. Among the plan implemented were periodical maintenance of tractor and power generator, application of organic material (biomass) as fertiliser.</p>
	e)	Social impacts (Criterion 6.1);	YES	<p>Social impacts were constantly updated based on inputs received from stakeholder consultations/meetings. This was evidenced in the minutes of the following meetings, and the updated Action Plans. These stakeholder meetings include Gender Committee meetings, OSH meetings and meetings with external stakeholders.</p>
	f)	Encourage optimising the yield of the supply base	YES	<p>Both KK and KL Estates were committed to optimise yields. They were by:</p> <ul style="list-style-type: none"> <li>• Implementation of best agricultural practices</li> <li>• timely and proper application of fertilisers,</li> <li>• Improve accessibility to maximise crop evacuation,</li> <li>• maintain harvesting interval below 10 days,</li> <li>• collect all loose fruit to minimise losses,</li> <li>• construct Water bodies and water conservation pits</li> </ul>

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### RSPO CERTIFICATIONS SYSTEMS FOR PRINCIPLES & CRITERIA JUNE 2017

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	Not Applicable since Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
	(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 time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;	YES	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
	(c)	Any revision to the time-bound 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);	YES	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.

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<p>4.5.4</p> <p>Requirements for uncertified management units:</p>	(a)	No replacement of primary forest or any area required 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 NPP. For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	YES	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
	(b)	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6,	YES	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	YES	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
	(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	YES	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
	(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 following approach:	YES	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.

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		<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	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
		<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	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
		<ul style="list-style-type: none"> <li>Desktop study e.g. web check on relevant complaints</li> </ul>	YES	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
		<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>	YES	Lam Soon Plantations only have one Certification Unit which is in Lahad Datu.
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, it was evident that the land belongs to Lam Soon Plantations. Lam Soon Estate was previously owned by Pacific Cocoa Plantations Sdn Bhd. The Pacific Cocoa bought the land from the government of Sabah in April 1986, and then changed their named into Lam Soon Plantations Sdn Bhd in July 2000. Based on the interviews carried out and this audit finding, it has been confirmed that there was no such case concerning the rights of local communities in Lam Soon Plantations CU. There were no indigenous peoples here, hence this component was not applicable to the CU.
<p>Note: 1. For requirements 4.5.4 (a)-(d) above, the definition of major and minor NC is stated in the RSPO P&amp;C. For example, if an NC against a major indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless that is actively addressed; 2. Failure to address any outstanding NC within uncertified unit(s) regarding 4.5.4 (a)-(d) may lead to certificate suspension(s) to the certified unit(s), in accordance with the provisions of these Certification Systems.</p>				

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### Attachment 4

### Details of Non-conformities and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
4.1.1 NCR STK-01.2018	Major	Finding: Standard Operating Procedure (SOP) for Integrated Pest Management (IPM) in estates was not available. Objective evidence: At time of visit, there was no SOP/policy available for the planting/maintenance of beneficial plants under the Integrated Pest Management.	Sop was available but misplace during audit, The SOP/Policy for planting/ maintenance of beneficial plant was available in Lam Soon Agricultural policy Pest & Disease page 1 as refer to AAR advisory circular no. 2/16 p&D/TTM.	Auditor has verified the evidence attached which is AAR advisory circular no. 2/16 p&D/TTM dated 24 March 2016  Status: Closed The implementation of corrective action will be verified by next audit.
4.1.2 NCR STK-02 2018	Minor	Finding: A. The Standard operating procedure (SOP) Doc No.: LSPSB/LUD/SAFETY/SOP -08 – Pemandu Tractor was not complied with. B. Sections 4.2 i) and 4.2. iii) of the Oil Palm Agricultural Policy of Lam Soon Management Services Sdn Bhd was not complied with. Objective evidence: A. KL Estate: A wheel nut form each left and right wheels of trailer KL 42 A – 2001 towed by tractor ST652 T were missing. B. Palm circles and harvesting paths in Blocks 1994H (KL Estate) and Block 2015 F (KK Estate) were scruffy hindering accessibility and loose fruit collection.	Action taken was done, all missing bolt and nuts left and right already fixed.  Block KL 1994 H start spraying on 18 June 2018, complete on 22 June 2018  Block KK 2015 F on going spray on 18 June 2018, complete on 22 June 2018	Auditor has verified the evidence attached (picture) which is spraying has been done and bolt and nuts has been replaced.  Status: Closed The implementation of corrective action will be verified by next audit.
4.3.3 NCR STK-03 2018	Minor	Finding: Road maintenance programme was not adequately carried out. Objective evidence: KL Estate: The road conditions in Blocks 94G. Were badly eroded making it difficult for vehicles to maneuver. KK Estate: A bridge in Block 2015F and another in Block 2010C had large holes and were not passable at time of visit.	We start road grading on 19 June 2018, Work in progress, The bridges at 2015 F were dismantled and rebuild and graveled. Now the road possible for heavy transport. Blockage at culvert block 2010c was replace with 3" Culvert to cater heavy rain water from ravine it was also graveled and complete on 20/6/18	Corrective action plan accepted  Status: Open The implementation of corrective action plan will be verified by next audit.

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4.4.2 NCR STK-04 2018	Major	<p>Finding: Protection of water courses including maintaining and restoring appropriate riparian and other buffer zones was not maintained and demonstrated.</p> <p>Objective evidence: KK Estate – “Effluent Solid” was sighted in water ways in Block 2010 C thus not complying to the requirement as per letter dated 23.04.2014 from Department of Environment Cawangan Sandakan KL Estate – Riparian/buffer zones at Block 94 E and 94 F were not marked.</p>	<p>Space/tapak for draying effluent solid were completed constructed and far from water source. Right now effluent solid were dumped there for draying before field application as per photo attached, work started on 3/7/2018. We start remarked on 18 June 2018. Completed on 23 June 2018</p>	<p>Auditor has verified the evidence attached (picture) which is buffer zone has been marked and place for effluent solid has been constructed</p> <p>Status: Closed The implementation of corrective action will be verified by next audit.</p>
4.7.3 NCR STK-05 2018	Major	<p>Finding: Adequate and appropriate protective equipment were not available to all workers at the place of work.</p> <p>Objective evidence: 1. KK &amp; KL Estate: A set of oxygen and acetylene cylinders in the welding store and another set in the workshop did not have “flash back arrestors”. 2. Workers filling polybags in the oil palm nursey (KK Estate) were not wearing the appropriate PPE and workers carrying out harvesting (KL Estate), manuring and spraying (KK Estate) were not wearing the appropriate shoes. 3. The belting of the Air Compressor, SB PMT 489, was not fully protectively covered.</p>	<p>New flashback arrestor has been fixed for both place workshop All appropriate PPE for nursery, harvester have been order and given to workers. The belting for compressor SB PMT 489 has been covered</p>	<p>Auditor has verified the evidence attached (picture) which is flashback arrestor has been fixed, PPE has given to workers and cover of compressor belting has been fixed</p> <p>Status: Closed The implementation of corrective action will be verified by next audit.</p>
4.7.2 NCR RAR 02 2018	Major	<p>Finding: 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. This requirement was not complied with.</p> <p>Objective evidence: At LSP POM activity of security or patrolling has not been risk assessed.</p>	<p>HIRARC for security patrolling has been made on 8 June 2018</p>	<p>Auditor has verified the evidence attached (picture) which is HIRARC has been done on 8 June 2018 for security patrolling</p> <p>Status: Closed The implementation of corrective action will be verified by next audit.</p>
5.6.3 NCR RAR 01 2018	Minor	<p>Finding: LSP CU is using the RSPO Palm GHG Calculator version 3.0.1 to calculate the GHG emission for the estate and mill. However certain data input used in the calculation was found not available in the reported data.</p>	<p>New data was input in palmGHG software for recalculation of emission</p>	<p>Corrective action Plan accepted. The implementation of corrective action plan will be verified by next audit.</p> <p>Status: Open</p>



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		Objective evidence: Wrong data input for 2017 GHG calculation such as total planted area and conservation area was not included.		
6.12.3 NCR MZK 01 2018	Major	Finding : Special labour policy and procedures for temporary or foreign workers was not implemented Objective evidence : It was found that, several unpermitted workers still working in the estate without permission from immigration department or has no 'Pass Lawatan Kerja Sementara' (PLKS) from Kelulusan Kuota One Stop Centre" (OSC) Immigration Department as per SOP even though the quota has been guaranteed by the Immigration Department	We have resumed the remaining balance using 2 agencies. First batch delivery on 23/06/18 as 15 workers and 2 <sup>nd</sup> batch delivery on 25/06/18 as 20 workers. The rehiring program for unpermitted workers has been completed and returned to work as usual.	Auditor has verified the evidence attached one year permit dated 13/7/18, 17/7/18 and 23/7/18 for 15 and 20 workers.  Status: Closed The implementation of corrective action will be verified by next audit.
Supply Chain 5.3.2 NCR SKA 01	Major	Finding: The organization has not established written procedure on internal audit. Consequently, the internal audit on their RSPO Supply Chain System has also not been carried out. Objective Evidence: No record on Internal Audit was presented during the site review	Internal Audit has immediately carried out on 2-7/7/18	Auditor has review the records of internal audit dated 2-7/7/18, total NCR Raised in internal audit was 1 Major.  Status: Closed The implementation of corrective action will be verified by next audit.
Supply Chain 5.13.1 NCR SKA 02	Major	Finding: The requirement under this indicator was not fulfilled. Objective evidence: No record on management review was presented during the audit.	Management review has been conducted on 13/7/18	Auditor has review the evidence records of Management review dated 13/7/18.  Status: Closed  The implementation of corrective action will be verified by next audit.
Supply Chain 5.6.1 NCR SKA 03	Major	Finding: The description of the product, including applicable supply chain model (Identity Preserved) was not correctly indicated in the relevant outgoing documents. Objective evidence: 42.47mt CPO under MB model was delivered to Genting Musimmas Refinery Sdn Bhd with Dispatch Slip Ticket no. CPO17000554W, Palm Oil Delivery Note 20278, Gate Pass No 86056 dated 21st Oct 2017, Contract no. PO/1078/10 Oct.	SOP has been revised on 8 June 2018	Auditor has review the evidence records of SOP has been revised dated 8 June 2018  Status: Closed  The implementation of corrective action will be verified by next audit.

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**Attachment 5**

### **RSPO SUPPLY CHAIN : AUDIT CHECKLIST**

#### **SECTION A : GENERAL INFORMATION**

1. File Reference No.	: EL04190001
2. Name of facility/ site(s) /entity(ies)	: Lam Soon Plantation Sdn Bhd – Lam Soon Palm Oil Mill CU
3. Site Location (single site/multisite/Group)	: Locked Bag 8, 14 km off Lahad Datu - Sandakan Highway, 91109 Lahad Datu, Sabah
4. SC model	: Identity Preserved
5. Type of entity	: Palm Oil Mill
6. RSPO Member Number	: 1-0044-07-000-00
7. Annual summary records of certified oil palm products purchased and claimed	: (1 <sup>st</sup> June 2017 – 31 <sup>st</sup> May 2018) Total FFB purchased – 100443.49 Total CPO produced – 21939.46 Total PK produced – 4837.87 Total CPO sell as IP – 755.07 Total PK sell as IP – 3063.75

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

	Requirements	Remarks
	<b>Audit Process Requirements – FOR STAGE 2 / RECERTIFICATION AUDIT</b>	
5.3.8	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>	

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5.3.26	<p>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.</p> <p>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.</p>	<p>The organizational systems, the management systems and the operational systems, including any documented policies and procedures of Lam Soon Palm Oil Mill (hereafter refers as LSPOM) are sufficient and adequate in complying with latest revision of RSPO Supply Chain Certification Standard.</p> <p>LSPOM only being certified with RSPO, no other management system implemented on site. Sustainability Policy (Palm Oil Production Policy) was established in October 2017 endorsed by Plantation Director. The Mill Manager has been appointed as the RSPO Management Representative.</p>
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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.	LSPOM takes legal ownership and physically handles RSPO certified oil palm products at following location - Locked Bag 8, 14 km off Lahad Datu - Sandakan Highway, 91109 Lahad Datu, Sabah
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.	RSPO Palm Trace details are as followed; Member name: Lam Soon Plantations Sdn. Bhd.
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.	LSPOM had demonstrated the correct use of supply chain model; They continue to apply the IP model and their suppliers are of own supply base namely Lam Soon Estate.
2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	They decided to maintain the IP model for their supply chain system. Therefore, they are being audited against the general chain of custody requirement for the supply chain as well as Module D of the RSPO Supply Chain Standard.
<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:	-

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a)	Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.	LSPOM has established procedure title: SOP on RSPO Supply Chain describing the procedures on the following activities related on its supply chain certification standard required by the RSPO. It was found that the documented procedures related to implementation of requirements of RSPO Supply Chain Certification Standard (latest revision) were sufficient. Also refer para D3.2 of this checklist for details.
b)	Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).	LSPOM only apply RSPO Supply Chain system within their organization. Therefore, records as such purchasing & sales (FFB delivery note, WB advice ticket, FFB grading, Daily FFB received, Delivery notes), production log (CPO & PK production, Daily production report), training, control of non- conformance, complaint etc. were noted to be updated accordingly.
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.	The Mill Manager, Mr. Yew Cheong Woo has been appointed as the RSPO Management Representative (RSPO MR) having the overall responsibility and authority over the implementation of the supply chain requirements. Based on interview with RSPO MR, it was noted that he understands the standard requirement as well as their internal RSPO Supply Chain system within the organization.
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>	It was noted during the audit that LSPOM has yet to establish written procedure to conduct annual internal audit. Hence, LSPOM has also yet to conduct the internal audit on their RSPO Supply Chain system. Therefore, non- conformity report no. SKA.01 had been issued to address the matter.
<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> </ul>	LSPOM only source for their raw material (FFB) from their own supply base – Lam Soon Plantation/ Estate. The required info was available in the ingoing document.

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	<ul style="list-style-type: none"> <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>	
a)	The site shall have documentation that demonstrate that purchases are made to the material category agreed with their supplier (IP, SG or MB).	To demonstrate that purchases are made to the material category agreed with their supplier, LSPOM ensure FFB delivery ticket are of their own supply base.
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.	For certified CPO & PK produced, LSPOM update their stock 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 announcement.	Internal supplier under same certification – valid certificate.
4.2	The site shall have a mechanism in place for handling non-conforming material and/or documents.	LSPOM has not recorded non-conforming material and/or documents since last audit. Mechanism of handling the conformity (if any) was clearly indicated in their SOP on RSPO Supply Chain.
<b>5</b>	<b>Outsourcing activities</b>	
5.1	<p>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.</p> <p><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></p>	<p>LSPOM has defined transportation as their outsourced activity.</p> <p>They have assigned 2 transporters to carry their CPO &amp; PK to designated destination.</p>
5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> <li>The site has legal ownership of all input material to be included in outsourced processes;</li> <li>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.</li> </ol>	LSPOM has sufficiently indicated the relevant standard requirement pertaining to outsource activity to their hired transporters.

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	<p>c) The site has a documented control system with explicit 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>	<p>Outgoing documents were sampled accordingly.</p> <p>However, it was noted that LSPOM has not correctly indicated the description of the product, including applicable supply chain model (Identity Preserved) in the relevant outgoing documents (refer above yellow highlighted outgoing document details). Therefore, non- conformity report no. SKA.02 had been issued to address the matter.</p>
<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> <li>• are part of the supply chain of RSPO Certified Sustainable oil palm products</li> </ul> <p>must register their transaction in the RSPO IT platform at the time of physical shipment as required by the rules set by RSPO.</p>	<p>The registration of transaction being carried out by Group Plantation Sustainability Officer, using the RSPO Member ID.</p> <p>Mill receive copy of transaction input to the system on monthly basis based on contract summary (buyer weight being put in).</p>

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<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.	A defined training plan was established & had been reviewed accordingly by the mill management. It involves various departmental function such as weighbridge, laboratory and production.
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 had been conducted in Oct 2017 for office clerk who handle the weighbridge & relevant paperwork. Training had been conducted by the RSPO MR. Based on interview with weighbridge clerk, it was noted that the training had been well conveyed & that the clerk was aware on her function/ responsibility with regards to RSPO Supply Chain implementation in the organization.
<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.	LSPOM maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of the RSPO Supply Chain standard requirements. Also refer para 3.1b of this checklist for details.
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.	LSPOM maintain retention period of more than 2 years (10 years) and this is to also comply to relevant legal and regulatory requirements. LSPOM also had established various reporting template to ensure that they will be able to track movement of their certified FFB as well as finished products (CPO & PK).
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.	Actual FFB production by the supply base for the last reporting period (1 <sup>st</sup> June 17 to 31 <sup>st</sup> May 18) (1 <sup>st</sup> June 2017 – 31 <sup>st</sup> May 2018) Total FFB purchased – 100443.49 Total CPO produced – 21939.46 Total PK produced – 4837.87 Total CPO sell as IP – 755.07 Total PK sell as IP – 3063.75 Total projection – CPO : 23429.25 MT PK: 5265.00 MT
<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> ).	Not Applicable
10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	Not Applicable
<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. LSPOM has not use any RSPO trademark.

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<b>12</b>	<b>Complaints</b>	
12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	LSPOM has not receive any complaint from stakeholder Should there be any, they refer to Grievances Process procedure & Stakeholder Requests & Responses.
<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 had not been conducted for RSPO Supply Chain scope at LSPOM
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>	Therefore, issues listed under the input to & output from the management review meeting had not address. Non- conformity report no. SKA.03 had been issued to highlight the matter.
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>	

### Lam Soon palm oil mill – Identity Preserved Model –Module D

<b>D 3</b>	<b>Documented procedures</b>		Verification on previous audit NC
<b>D 3.1</b>	<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>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p> <p>This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>		<p><b>#NCR No : MZK 04 2017</b></p> <p><b>Finding :</b> Non Compliance related to RSPO SCCS procedures  <b>Objective evidence :</b> Lam Soon POM has the procedure title: SOP on RSPO Supply Chain but not complete and not covering all the implementation of all the elements in RSPO Supply Chain Requirement.  The SOP on RSPO Supply Chain was revised dated 4<sup>th</sup> May 2018 with inclusion of detail input &amp; output for Management Review but the management review had not been conducted as per the standard requirement</p>
<b>D 3.2</b>	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.		<p>SOP on RSPO SC</p> <ul style="list-style-type: none"> <li>- FFB Suppliers</li> <li>- Documentation for Sustainable CPO</li> <li>- Documentation for Sustainable PK</li> <li>- Management Responsibility</li> </ul>



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		<ul style="list-style-type: none"> <li>- Training</li> <li>- Reception – FFB at Security Guard House &amp; Weighbridge Station</li> <li>- Production &amp; Storage – Plant &amp; Storage Tanks</li> <li>- Sales &amp; Dispatch of products to the buyer</li> </ul> <p>SOP for SC (Traceability System)  Chapter 1 – CSFB, CSPO &amp; CSPK traceability system – chain of custody  Chapter 3 – Delivery &amp; Reception of CSFFB, In- house &amp; Non-In house FFB (include processing)</p>
<b>D.4</b> D.4.1	<b>Purchasing and goods in</b> The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	<p>Approved Sustainable Supplier List (ASSL) for LSPOM</p> <ul style="list-style-type: none"> <li>- Lam Soon Plantation Sdn Bhd (own certified plantation)</li> </ul> <p>Through the Lam Soon Plantations Sdn Bhd – FFB Receipt Summary &amp; Mill Report, LSPOM verify that the incoming FFB are of certified source with the correct tonnage for their traceability purpose.</p>
<b>D 4.2</b>	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	No over projection was recorded, it was noted that LSPOM production was well within the certified tonnage.
<b>D.5</b> D.5.1	<b>Record keeping</b> 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.	<p>Daily production report being generated (receiving, processing &amp; dispatch)  Rated throughput 45mt/hour  Avg. OER 2017 22%, KER 4.84%  To date OER 2018  LSPOM D.5.1</p> <p>Lam Soon POM has maintained the three-monthly accounting system to record RSPO certified FFB and deliveries of RSPO certified CPO and PK. The 3-monthly data was the summary from their daily template as mentioned above.</p>
<b>D 6</b> <b>D.6.1</b>	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified oil palm product including during transport and storage.	LSPOM has not receive & process any non- certified crop, received all from own IP certified plantation – Lam Soon Plantation/ Estate
<b>D.6.2</b>	The objective is for 100 % segregated material to be reached.	With LSPOM only process FFB of their own supply base, they have total storage facility of CPO 7300mt & PK 1000mt. These facilities were well enough to cater for their daily production.

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Attachment 6

### VERIFICATION OF NON-CONFORMITIES DURING LAST SURVEILLANCE ASSESMENT AT Lam Soon CU

P & C Indicator	Specifi cation  <i>Major/ Minor</i>	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Auditors	Verification by Auditors
Indicator 2.1.1	Major	<p>#NCR No : MZK 01 2017</p> <p>Finding : Requirement in the Industry Code of Practice for Working in a Confined Space Area, 2010 was not fully met.</p> <p>Objective evidence :</p> <ul style="list-style-type: none"> <li>- There was no Form Declaration of Fit before entrance to the confined space at Lam Soon POM.</li> <li>- No medical surveillance carried out for authorized entrance and authorized gas tester</li> </ul>	<p>Corrective Action: Mill Management has sent person that enter to confined space immediately to do Health Surveillance on 6/5/17</p> <ul style="list-style-type: none"> <li>- Mill management has created the form to enter the confined space immediately and will monitored the usage of form.</li> <li>- Mill Management has provide training on 5/7/2017 regarding confined space to the entrance.</li> </ul> <p>Auditor Verification:</p> <ul style="list-style-type: none"> <li>- Auditor has received picture of Purchase order dated 4/5/2017 to Klinik Mansor Regarding Health Surveillance for confined Space person.</li> <li>- A copy of the filled form of declaration of fit and training attendance dated 5/7/2017 were provided to the auditor.</li> </ul> <p>Status: Closed</p> <p>The effectiveness of the corrective action will be verified during next audit.</p>	<p>The medical surveillance for confined space was carried out on 10 &amp; 17/07/17, 04/08/2018, and 13/10/2017 by an OHD from Klinik Mansor Sdn Bhd (JKKP NO. HQ/08/DOC/00/695) for 4 persons. Results from assessment were show all fit to worked in confined space. Thus, previous NCR was satisfactory closed.</p> <p>Status : Closed</p>
Indicator 2.1.2	Minor	<p>#NCR No : MRS 01/2017</p> <p>Finding : Not all applicable legal requirement was not updated in the legal register</p>	<p>Corrective Action Plan:</p> <p>Mill has updated legal register dated 8/7/2017 to include all stated.</p> <p>Auditor Verification:</p> <p>Corrective action plan accepted</p>	<p>It was found also at Lam Soon POM the legal register has already included the following legal:</p> <ol style="list-style-type: none"> <li>1. All requirements for Worker's Minimum Standards of Housing and Amenities Act</li> </ol>

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		<p>Objective evidence :</p> <p>Lam Soon POM has yet to fully register all applicable requirements in the legal register such as:</p> <ol style="list-style-type: none"> <li>1. Worker's minimum not registered all requirements only has design and basic housing for employees.</li> <li>2. Minimum Wages Order 2016 only stated for daily rated.</li> <li>3. Code of Confined Space 2010</li> </ol>	<p>Status: Open</p> <p>The effectiveness of the corrective action will be verified during next audit.</p>	<p>1990 except design and basic housing for employees.</p> <ol style="list-style-type: none"> <li>2. Minimum Wages Order 2016 only stated for daily rated.</li> <li>3. Code of confined Space 2010</li> </ol> <p>Thus, a previous minor NCR MRS 01/2017 was satisfactory closed.</p> <p>Status: Closed</p>
Indicator 2.2.2	Minor	<p>#NCR No : MRS 02/2017</p> <p>Finding: There was no evidence of physical markers located and visibly maintained along the legal boundaries</p> <p>Objective evidence:</p> <p>There were no physical markers located along the legal boundaries between Lam Soon Estate with other neighbouring private oil palm plantations such as JC Chang (Melewar Estate &amp; Asia Estate) &amp; Kemajuan Ruta.</p>	<p>Corrective Action Plan:</p> <ul style="list-style-type: none"> <li>- Estate management will paint back the billian peg</li> <li>- Estate management will increase the marking peg at the boundary</li> <li>- The marking complete on 15<sup>th</sup> May 2017</li> </ul> <p>Auditor Verification:</p> <p>Corrective action plan accepted.</p> <p>Status: Open</p> <p>The effectiveness of the corrective action plan will be verified during next audit</p>	<p>the field verification at Lam Soon Estate, it has been observed that the boundary stones were visibly maintained between the estate with the neighboring private oil palm plantations such as Sandau Estate (Sawit Kinabalu), Ham Sam Estate, JC Chang (Melewar Estate &amp; Asia Estate), Johor Estate and Kemajuan Ruta Thus, a minor MRS 02/2017 was closed.</p> <p>Status: Closed</p>
Indicator 4.6.11	Major	<p>#NCR No : MZK 02 2017</p> <p>Finding : Chemical Exposure Monitoring was not done as per CHRA recommendation – every 6 months.</p> <p>Objective evidence :</p> <p>Last Chemical Exposure Monitoring Report carried out by ESI Sampling Sdn. Bhd on 8 June 2016 at KK Division and 9 June 2016 at KL Division.</p>	<p>Corrective Action:</p> <ul style="list-style-type: none"> <li>- Reassessment the CHRA report audit completed on 11 May 2017 and the report indicate that not recommended to continue do the Chemical Expose Monitoring (CEM) due to no highly toxic pesticide.</li> <li>- Estate management will monitor the requirement of CHRA.</li> </ul> <p>Auditor Verification:</p> <p>A new CHRA dated 11/5/2017 by Suzanna J Rice Oxley JKKP HIE 127/171-2(290) indicated that no monitoring of the chemical exposure required as</p>	<p>Re assessment for CHRA has been conducted by Suzanna J Rice Oxley, DOSH registration no: HQ/11/ASS/00/290 from REHPRO Scientific Sdn Bhd on 11/05/2017 to exclude paraquat from the previous assessment. Four work units were identified at both division, namely manure operators, spraying / nursery area operators, workshop area technicians, and chemical store keeper.</p> <p>Among of recommendation made by assessor were:</p>

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			<p>there was no highly toxic pesticides at the estate.</p> <p>Status: Closed</p>	<ul style="list-style-type: none"> <li>No further CEM monitoring shall be conducted for pesticides (6 moth basis) thus, previous NCR has been satisfactory closed.</li> </ul> <p>Chemical Exposure Monitoring Report has been conducted by Mr. Haryaddy Bin Maidin, Dosh Registration no: JKPP HIE 127/171-3/1(185), on 27/02/2018. from the assessments have been carried out was recommend that the workers continue wearing appropriate PPE when performing the task to ensure the level of exposure is below the permissible limit at all times</p> <p>Status : Closed</p>
Indicator 4.7.5	Minor	<p>#NCR No : MZK 03 2017</p> <p>Finding : No Accident and emergency plan has been available at some of the visited work stations:</p> <p>Objective evidence :</p> <p>At Boilerhouse, Workshop, Steriliser, Store and Press station.</p>	<p>Corrective Action Plan: Mill management will prepare the new notice board for accidents and emergency procedures at strategic location in mill compound immediately.</p> <p>Auditor Verification: Corrective action plan accepted.</p> <p>Status: Open The effectiveness of the corrective action plan will be verified during next audit</p>	<p>During site visit at POM working station e.g Boiler, Workshop, Steriliser, Store, Press, it was found that accident and emergency plan was available. Therefore, previous NCR has satisfactory closed</p> <p>Status : Closed</p>
Indicator 4.8.1	Major	<p>#NCR No : MRS 03/2017</p> <p>Finding : A formal training programme on social aspect was not available.</p> <p>Objective evidence :</p> <p>Training on social aspects was not included in the POM FY2017 training programme.</p>	<p>Corrective Action:</p> <ul style="list-style-type: none"> <li>Mill Management has developed the Social Training plan named ' Social Training Programmed 2017'</li> <li>Mill management will monitored this plan and the training regarding the social issue.</li> </ul> <p>Auditor Verification: A copy of the revised 2017 Training Programme was provided. The training programme had included the training on the social aspects.</p> <p>Status: Closed.</p>	<p>Auditor has verified the plan Named' Social Training Programmed 2018' dated January 2018</p> <p>Status : Closed</p>

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Indicator 5.1.1	Major	<p>#NCR No : RAR02-2017</p> <p>Finding : Requirement related to EIA was not complied with.</p> <p>Objective evidence :</p> <p>Environment Impact Assessment (EIA) was not clearly identified, predicting, and evaluating for activities in Lam Soon Estate and Mill.</p>	<p>Corrective Action:</p> <ul style="list-style-type: none"> <li>- The Lam Soon management has amended the document Environment Aspect Impact on 11<sup>th</sup> May 2017.</li> <li>- The Lam Soon management will updated and monitor Environment Aspect Impact if new work started in the estate / mill</li> </ul> <p>Auditor Verification: Auditor has received new Environment Aspect Impact dated 11<sup>th</sup> May 2017. The EIA has identified all the Activities in the Estate and Mill and also the mitigation measures. Auditor has verified the evidence and evidence has been accepted</p> <p>Status: Closed. The effectiveness of the corrective action will be verified during next audit.</p>	<p>At the mill, the identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental receptors are the air emission from the boiler stack, the generation of the palm oil mill effluent (POME) and land contamination related to the management of scheduled wastes and domestic waste. Thus, previous NCR was satisfactory closed.</p> <p>Status : Closed</p>
Indicator 5.2.1	Major	<p>#NCR No : MRS 04/2017</p> <p>Finding : High Conservation Value (HCV) assessment was not available.</p> <p>Objective evidence :</p> <p>HCV assessment report was not available during the audit</p>	<p>Corrective Action:</p> <ul style="list-style-type: none"> <li>- To Identify HCV Resource Network License</li> <li>- Send Map and associated document to assessor on 6 March 2017</li> <li>- 16 May 2017 appointment with assessor (Dr.S.K.Yap)</li> <li>- To create team for survey unplanted area, monitoring buffer zone, catchment area and pond.</li> <li>- HCV assessment completed on 25 May 2017.</li> <li>- HCV assessment report prepared by internal team and conducted by S.K.Yap. Date of completed 25 May 2017.</li> </ul> <p>Auditor Verification: Received evidence of Assessment by Dr.S.K.Yap and The report dated on 25 May 2017 indicated that no HCV in the estate. However, an area of 119.00 Ha (water catchment, Riparian Buffer Zone and Small river) were place under HCV 4.1. and 4.2 for erosion control. Evidence has been accepted.</p>	<p>The report "High Conservation Value (HCV)/ Biodiversity Assessment of the estates Lam Soon Plantations is available. The study was conducted by S.K Yap Forestry and Landscape Advisor Services and the report was completed on May 2017 and Amended on January 2018. The study had covered all the High Conservation Value (HCV)/Biodiversity within and adjacent to the 1 estates under Lam Soon CU, Thus Past NCR MRS 04/2017 was closed</p> <p>Status : Closed</p>

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			Status: Closed. The effectiveness of the corrective action will be verified during next audit.	
Indicator 5.2.2	Major	<p>#NCR No : MRS 05/2017</p> <p>Finding : Action plan on High Conservation Value (HCV) and rare, threatened and endangered (RTE) species was not available</p> <p>Objective evidence :</p> <p>Action plan on High Conservation Value (HCV) and rare, threatened and endangered (RTE) species was not available:</p> <ul style="list-style-type: none"> <li>• HCV habitats, such as conserved area, and buffer zones;</li> <li>• Control any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts</li> </ul>	<p>Corrective Action:</p> <ul style="list-style-type: none"> <li>- To created action plan for HCV and rare, threatred and endangers (RTE) species.</li> <li>- Attached herewith "Action Plan on HCV and rare, threatened and endangered (RTE) species. Date completed on 8 May 2017</li> </ul> <p>Auditor Verification: Auditor has received the action plan for HCV and RTE species completed on 8 May 2017.</p> <p>Status: Closed.</p>	<p>The HCV Assessment report indicated that there is no threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations. There is only common bird sighted. The appropriate measures that are expected to maintain and/or enhance them were implemented through an action plan dated 2 January 2018, and made available in Lam Soon Estate. Therefore, past Major NCR MRS 05/2017 was closed.</p> <p>Status : Closed</p>
Indicator 5.2.3	Minor	<p>#NCR No : MRS/06/2017</p> <p>Finding : Programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures were not available.</p> <p>Objective evidence :</p> <p>There was no evidence to show that the Lam Soon CU has complied with this indicator as below:</p> <ol style="list-style-type: none"> <li>1. Programme and training to educate the workforce on the RTE species</li> <li>2. Appropriate discipline action to be taken if found the employee has captured, harm, collect or kill these species</li> </ol>	<p>Corrective Action Plan:</p> <ul style="list-style-type: none"> <li>- Estate has given the training and briefing during morning muster to educate the workers, but no proper documentation and training recorded.</li> <li>- Estate also lack of information regarding the RTE Species in the estate due to no proper HCV Assessment has been done</li> </ul> <p>Auditor Verification:</p> <p>Training on RTE and disciplinary action has been conducted to all workforce on 11 May 2017.</p> <p>The CU also has circulated memo that all workers and visitors are not allowed to capture, harm, collect or kill wildlife and RTE species dated 8 May 2017.</p>	<p>The Estate also make a statement dated on 8/5/17 a disciplinary action is to be taken against those who are found to capture, harm, collect or kill RTE species according to law "Enakmen Pemeliharaan Hidupan Liar 1997". A training programme for year 2018 was available. Sighted training at Lam Soon Estate titled as 'Taklimat Hidupan Liar' conducted to Workers on 14/11/2017, RTE Training 24/4/18 and Buffer Zone training 25/4/18. Further to that, an awareness training through morning briefing has been conducted by Assistant Manager all workers (Sprayer, Manuring, Harvester, Maintenance). Thus, a Minor NCR MRS/06/2017 was closed.</p> <p>Status : Closed</p>

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			<p>Corrective action plan accepted.</p> <p>Status: The effectiveness of the corrective action plan will be verified during next audit</p>	
Indicator 5.2.4	Minor	<p>#NCR No : MRS/07/2017</p> <p>Finding : Action plan and HCV monitoring were not available</p> <p>Objective evidence :</p> <p>Action plan and monitoring for HCV area such as riparian buffer zone was not available at Lam Soon Estate during this audit.</p>	<p>Corrective Action Plan:</p> <ul style="list-style-type: none"> <li>- To created checklist form and person in charge to monitoring the HCV area on 8 May 2017.</li> <li>- Estate Management has created "Action plan and monitoring" for HCV area.</li> <li>- HCV assessment completed has on 25 May 2017 and action will be created based on the assessment.</li> </ul> <p>Auditor Verification: Auditor has received HCV Areas Monitoring Checklist dated 9 May 2017.</p> <p>Corrective action plan accepted</p> <p>Status: The effectiveness of the corrective action plan will be verified during next audit.</p>	<p>An action plan for year 2018 was made available at the Lam Soon Estate. The outcomes of monitoring were included in the HCV report. The outcomes of monitoring were included in the HCV report. Lam Soon Estate has conducted an two Monthly monitoring of their Buffer zone and water catchment. the latest conduct was on 25/1/18, 26/3/18 and 26/5/18. No RTE species were found within the estates area. Thus a minor NCR MRS/07/2017 was successfully closed.</p> <p>Status : Closed</p>
Indicator 6.5.3	Minor	<p>#NCR No : RAR01-2017</p> <p>Finding : Non-compliance with Section 23(2) of the Workers' Minimum Standards of Housing &amp; Amenities Act 1990</p> <p>Objective evidence :</p> <p>No record of housing inspection was carried out on weekly basis.</p>	<p>Corrective Action Plan:</p> <ul style="list-style-type: none"> <li>- Estate management has appointed HA to do the Housing Inspection by weekly.</li> <li>- Estate Manager/ Assistant manager will monitor the record regarding housing inspection.</li> <li>- HA will start the housing inspection on 11<sup>th</sup> May 2017</li> </ul> <p>Auditor Verification: Corrective action plan accepted</p> <p>Status: The effectiveness of the corrective action plan will be verified during next audit.</p>	<p>Auditor has verify Health Assistant conducted weekly inspection at the quarters on 4/6/18, 29/5/18, 22/5/18, 16/5/18, 10/5/18, 4/5/18, 24/4/18, 17/4/18, 10/4/18, 3/4/18. Auditor has verified the weekly inspection record titled 'Linesite Inspection Report'. Thus, Minor NCR RAR01-2017 was closed.</p> <p>Status : Closed</p>
Indicator 6.9.1	Major	<p>#NCR No : MRS 08/2017</p> <p>Finding :</p> <p>1. Inadequate understanding on sexual harassment and grievance procedure on sexual harassment</p>	<p>Corrective Action:</p> <ul style="list-style-type: none"> <li>- Lam Soon Management will revise the procedure every 5 years.</li> <li>- Lam Soon Estate has conducted Training regarding Sexual Harassment for All workers at Muster Ground on 16<sup>th</sup></li> </ul>	<p>Interviews with 11 workers at visited mill and 30 Workers at Estate revealed that they are understand regarding sexual harassment, grievance procedure on sexual harassment and role of gender committee and its difference from</p>

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		<p>2. Based on Specific Guidance, this committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</p> <p>Objective evidence :</p> <p>Interviews with workers at visited estate and mill reveal that there was inadequate understanding on sexual harassment, grievance procedure on sexual harassment and role of gender committee.</p>	<p>May 2017 together with Gender committee.</p> <ul style="list-style-type: none"> <li>- Lam Soon Management has set Frequency of briefing every 6 month.</li> </ul> <p>Auditor Verification: A revised sexual harassment procedure and training record on sexual harassment procedure grievance procedure &amp; role of gender committee dated 16 May 2017 including Monthly Training Programme Social 2017 were provided to the auditor</p> <p>Status: Closed The effectiveness of the corrective action to be verified during next audit.</p>	<p>last year due to management keep reminding regarding that during muster call. Thus, a major NCR MRS 08/2017 was closed.</p> <p>Status : Closed</p>
Indicator  D 3.1  (Supply Chain)	Major	<p>#NCR No : MZK 04 2017</p> <p>Finding : Non Compliance related to RSPO SCCS procedures</p> <p>Objective evidence :</p> <p>Lam Soon POM has the procedure title: SOP on RSPO Supply Chain but not complete and not covering all the implementation of all the elements in RSPO Supply Chain Requirement.</p>	<p>Corrective Action: Mill management has amended the RSPO Supply Chain Procedure immediately.</p> <p>Auditor Verification: Auditor has received new RSPO Supply Chain Procedure dated 4 May 2017. The Procedure was verified and found all elements were covered which included:</p> <ul style="list-style-type: none"> <li>• Documentation for Sustainable CPO</li> <li>• Documentation for Sustainable PK</li> <li>• Management Responsibility</li> <li>• Training</li> <li>• Reception - FFB</li> <li>• Production (CPO &amp; PK)</li> <li>• Sales &amp; Despatch (CPO &amp; PK)</li> </ul> <p>Status: Closed</p>	<p>Auditor has verify The SOP on RSPO Supply Chain was revised dated 4<sup>th</sup> May 2018 with inclusion of detail input &amp; output for Management Review</p> <p>Status : Closed</p>



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Attachment 7

### Lam Soon Plantations Sdn Bhd Time Bound Plan on RSPO Certification.

Certification Unit	2017	2018
Lam Soon POM Lahad Datu		
Dara Lam Soon Muadzam Shah		Certified on May 2018