

	<b>SIRIM QAS INTERNATIONAL SDN. BHD.</b> Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri, Section 2, 40700 Shah Alam, Selangor, Malaysia.		<b>File Ref. : EL04190001</b>															
	<b>RSPO PUBLIC SUMMARY REPORT</b>																	
<b>CLIENT : LAM SOON PLANTATIONS SDN BHD CERTIFICATION UNIT</b>																		
<b>PARENT COMPANY : LAM SOON CANNERY PRIVATE LIMITED</b>																		
<b>RSPO MEMBERSHIP NO.: 2-0909-18-000-00</b>																		
<b>LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):</b> <i>(In the case of multisite certification, list additional sites in attachments)</i>																		
<table border="1"> <thead> <tr> <th rowspan="2">Certification Unit</th> <th rowspan="2">Mill and Supply Base</th> <th colspan="2">GPS Location</th> <th rowspan="2">Location</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td rowspan="2">LAM SOON POM CU</td> <td>Lam Soon Palm Oil Mill</td> <td>5.254373 N</td> <td>118.174882 E</td> <td rowspan="2">28 km off Lahad Datu - Sandakan Highway, 91109 Lahad Datu, Sabah, Malaysia.</td> </tr> <tr> <td>Lam Soon Estate</td> <td>5.244980 N</td> <td>118.167033 E</td> </tr> </tbody> </table>	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			
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															
<b>MAP : See Attachment 1</b>																		
<b>AUDIT DATE : 24-27 August 2020</b>		<b>DURATION : 10 auditor days</b>																
<b>TYPE OF AUDIT :</b> <input checked="" type="checkbox"/> Annual Surveillance Audit 3		<input type="checkbox"/> Recertification Audit																
<b>STANDARD : MYNI 2019 FOR RSPO PRINCIPLE &amp; CRITERIA 2018</b>																		
<b>SCOPE OF CERTIFICATION:</b> Production of Sustainable Crude Palm Oil and Palm Kernel Using the Identity Preserved Supply Chain Model																		
<b>VALIDITY OF RSPO CERTIFICATE : 25/8/2017-24/8/2022</b>																		
<b>The following attachments form part of this report:</b> Non-conformity Report(s) <input checked="" type="checkbox"/> List of additional site(s) <input type="checkbox"/>																		
<b><u>Report by Audit Team Leader</u></b>		<b><u>Acknowledgement by Client's Representative</u></b>																
<b>Name :</b> Mohd Zulfakar Kamaruzaman		<b>Name :</b> MUHAMMAD BIN LATIP																
<b>Signature :</b> 		<b>Signature :</b> 																
<b>Date :</b> 26 November 2020		<b>Date :</b> 28/11/2020																

## RSPO PUBLIC SUMMARY REPORT

### SUMMARY OF AUDIT

Stage 2 audit / Recertification 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 / Local communities	Suppliers
	X			X
	Contract workers	NGOs	Govt. agency	Independent growers
		X	X	
	Indigenous people	Contractor	Others (Please specify)	
	NA	X		
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) Dzulfihar 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 / Local communities	Suppliers
	x			x
	Contract workers	NGOs	Govt. agency	Independent growers
			x	
	Indigenous people	Contractor	Others (Please specify)	
	NA	x		
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 = 6 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	17/09/2018

Annual Surveillance Audit 2				
On-site audit date :	13-15 May 2019		No. of auditor days :	12 days
Audit team :	Rozaimée Ab Rahman (LA), Zulfakar Kamaruzaman, Rahayu Zulkifli, Mohd Raof Asis			
No. of major NCR :	12	Indicator: P&C -2.1.1,4.6.6, 5.6.2, 6.5.2 SCCS- 5.3.2, 5.4.2, 5.8.2, 5.11.1, 5.12.1, 5.13.2, 5.13.3, D.4.2		Closing date : 14/08/2019
No. of minor NCR :	6	Indicator : 4.7.5, 5.1.2, 5.2.2, 5.2.4, 5.4.1, 6.5.3		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers / Local communities	Suppliers
	x		x	x
	Contract workers	NGOs	Govt. agency	Independent growers
		x		
	Indigenous people	Contractor	Others (Please specify)	
	NA	x		

## RSPO PUBLIC SUMMARY REPORT

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 = 6 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 : 23/08/2019

### Annual Surveillance Audit 3

On-site audit date	:	25-28 August 2020 (10.0 a.d)	No. of auditor days :	14 Auditor Days
Remote audit date	:	18-19 May 2020 (4.0 .d)		
Audit team	:	Mohd Zulfakar Kamaruzaman (LA), Rozaimee Ab Rahman, Mohd Raouf Asis		
No. of major NCR	:	2	Indicator: 7.10.1, 7.12.4	Closing date : 17/11/2020
No. of minor NCR	:	0	Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees	Settlers	Villagers / Local communities
		√		√
		Contract workers	NGOs	Govt. agency
				√
		Indigenous people	Contractor	Others (Please specify)
		NA	√	
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 = 4 days (3 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 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. Remote audit = 4 days.		
Report approved by	:	Kamini Sooriamoorthy		Approval date : 26/11/2020

### Annual Surveillance Audit 4

On-site audit date	:		No. of auditor days :	
Audit team	:			
No. of major NCR	:		Indicator:	Closing date :
No. of minor NCR	:		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees	Settlers	Villagers / Local communities
		Contract workers	NGOs	Govt. agency
				Independent growers
		Indigenous people	Contractor	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	June 2019 – May 2020	August 2020 – July 2021	
<b>Certified FFB Processed (MT)</b>	127,620.00	105,300.00	94,805.74	110,462.00	
<b>Production of Certified CPO (MT)</b>	28,395.00	28,395.00	21,558.04	25,406.26	
<b>Production of Certified PK (MT)</b>	6,381.00	6,381.00	4,581.36	4,418.48	
<b>Certified Areas (Ha)</b>	5,885.00	5,885.00	5,885.00	5,885.00	
<b>Planted Areas (Ha)</b>	5,684.00	5,684.00	5,562.00	**5,583.00	
<b>Production Areas (Ha)</b>	4,415.00	4,415.00	4352.00	4,776.00	
<b>HCV Areas / Conservation Areas (Ha)</b>	119.00 (including buffer zone, pond and quarry)	119.00	*122.00	122.00	
<b>REMARKS</b>	*Revised area based on survey in 2019. **An increase of planted area, as AAR GPS survey in year 2020.				

**TABLE 2**

	PO	PK
<b>Last years certified volume (MT)</b>	*28,623.04	*6,151.36
<b>Last years actual certified sold (MT)</b>	25,261.10	5,092.51
<b>Last years actual sold under other schemes (MT)</b>	0	0
<b>Last years sold conventional (MT)</b>	2,134.96	0
<b>New year certified volume (MT)</b>	25,406.26	4,418.48

\*Extension of volume for both CPO (7,065MT) and PK (1,570MT) has been requested and approved by RSPO on 27/08/2020.

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**1.0**

**AUDIT PROCESS**

**1.1 Certification Body**

SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally 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 re-accredited by ASI on 3 October 2019 (accredited since 2014).

**1.2 Qualification of audit team**

<b>Member of the Audit Team</b>	<b>Role/area of RSPO requirements</b>	<b>Qualifications</b>
Mohd Zulfakar bin Kamaruzaman	Lead Auditor / Supply Chain, Social, HCV	Holds a B.Sc. Forestry from UPM. He had 5 years of working experience in the oil palm operation. He is a qualified lead auditor for RSPO P&C, RSPO Supply Chain and MSPO Certification.
Rozaimie bin Ab Rahman	Auditor / GAP, Safety and Environment, GHG	Holds a B. Sc. of Agriculture. He had 7 years of working experience in the oil palm operation. He is a qualified Lead Auditor for RSPO P&C and MSPO Certification.
Mohd. Ab Raouf bin Asis	Auditor / Social, TBP	Holds a B.Sc. in Manufacturing (Production and Operation). He had more than 7 years of working experience in the oil palm operation. Currently he qualified as Lead Auditor for RSPO P&C and MSPO Certification.

### **1.3 Audit methodology**

Lam Soon Plantations Sdn Bhd palm oil mill is with one supply base only; the Lam Soon Estate. The audit has included visit to the estate, mill and external stakeholder houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

### **1.4 Stakeholder Consultation**

SIRIM QAS International had initiated the stakeholder consultation by during the on-site audit. In general, there was no negative comments made against this Certification Unit.

In summary, the stakeholders interviewed during the audit and the evidence from the stakeholder consultation carried out were as tabulated below:

<b>Stakeholders interviewed</b>	<b>Evidence from stakeholder consultation</b>
1) Employees / Workers Organizations (including migrant workers)	<p>Workers:</p> <ul style="list-style-type: none"> <li>a. Workers work 6 days a week with one rest day (Sunday). They work 8 hours with a minimum of 30 minutes' break in between.</li> <li>b. All workers sampled confirmed that they receive a minimum of RM1100 per month. They receive their salaries before 7<sup>th</sup> of every month. As of the date of this audit, all of sampled workers understood on Minimum Wages.</li> <li>c. Any overtime work is mutually agreed between workers and management, and that there is no element of forcing.</li> <li>d. Foreign workers are not subjected to any recruitment fee. Foreign workers who choose to keep their passports at the office have done so with their written consent.</li> <li>e. Workers are generally satisfied with the way complaints lodged are acted upon. Delays in house repairs, if any, are usually due to the need to order repair parts.</li> <li>f. Workers, including foreign workers get to appoint their own representatives. There is no interference of influence exerted by the employer.</li> <li>g. For newly-arrived foreign workers who do understand Bahasa or English, translations are provided during briefings.</li> </ul>
2) Settlers	Not applicable.
3) Villagers / Local communities (including women representatives, displaced communities)	Not available as this CU is surrounding by Private stakeholder.
4) Suppliers	No issue raised. Payments are received in time.
5) Contract workers	No contractor workers
6) Local & national NGOs	No issues
7) Government agencies / Statutory bodies	No issues
8) Independent growers / Smallholders	Not applicable.
9) Indigenous people	Not applicable.
10) Contractor	No issue raised. Payments are received in time.
11) Previous land owner (if any)	No issues
12) Others (please specify)	No issues

**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. (hereafter 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.

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

The FFB sourced from company owned estate (Lam Soon Estate) that are certified. Details of the FFB contribution from each source to the Lam Soon POM are shown in the following tables:

**Table 1: Actual FFB production by the supply base for the reporting period (June 2019 to July 2020)**

CU own estates	FFB Production		Certifying CB
	Tonnes	Percentage (%)	
Lam Soon Estate	118,159.81	100%	SIRIM QAS

**Table 2: Projected FFB production by supply base for the reporting period (August 2020 to July 2021)**

CU own estates	FFB Production		Certifying CB
	Tonnes	Percentage (%)	
Lam Soon Estate	110,462.00	100%	SIRIM QAS



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**Table 3: Actual FFB received and CPO & PK dispatch by POM for the last reporting period  
(June 2019 to July 2020)**

<b>RSPO Supply Chain Model: Identity Preserved</b>	<b>Total (MT)</b>
FFB Received	118,159.81
FFB Processed	118,159.81
CPO Production	27,396.06
PK Production	5,092.51
CPO delivered as RSPO certified	25,261.10
CPO delivered under other schemes (MT)	0
CPO delivered as non-RSPO certified	2,134.96
PK delivered as RSPO certified	5,092.51
PK delivered under other schemes (MT)	0
PK delivered as non-RSPO certified	0
Credits traded through Books and Claim	0

**Table 4: Projected FFB received and CPO & PK dispatch by Lam Soon POM for the last reporting  
period (August 2020 to July 2021)**

<b>RSPO Supply Chain Model: Identity Preserved</b>	<b>Total (MT)</b>
FFB Received	110,462.00
FFB Processed	110,462.00
CPO Production	25,406.26
PK Production	4,418.48

## RSPO PUBLIC SUMMARY REPORT

**Table 5 Planted and certified area of the Lam Soon Plantations Sdn Bhd CU**

Estate	Planted (ha)	Certified (ha)
Lam Soon Plantations Sdn Bhd	5,583.00	5,885.00
<b>Total</b>	<b>5,583.00</b>	<b>5,885.00</b>

**Table 6 Planting profile**

<u>Estate</u>	<u>Year of planting</u>	<u>Planting Cycle</u>	<u>Mature ≥3 years (Ha)</u>	<u>Immature &lt; 3 years(Ha)</u>	<u>Planted area</u>	<u>% of planted area mature</u>	<u>% of planted area immature</u>
Lam Soon Estate	1993	1 <sup>st</sup>	270		270	5.65	
	1994	1 <sup>st</sup>	576		576	12.06	
	2010	2 <sup>nd</sup>	576		576	12.06	
	2011	2 <sup>nd</sup>	344		344	7.2	
	2012	2 <sup>nd</sup>	439		439	9.19	
	2013	2 <sup>nd</sup>	419		419	8.77	
	2014	2 <sup>nd</sup>	489		489	10.24	
	2015	2 <sup>nd</sup>	447		447	9.36	
	2016	2 <sup>nd</sup>	422		422	8.84	
	2017	2 <sup>nd</sup>	380		380	7.96	
	2018	2 <sup>nd</sup>	414		414	8.67	
	2019	2 <sup>nd</sup>		380	380		47.09
	2020	2 <sup>nd</sup>		427	427		52.91
<b>Total</b>			<b>4776</b>	<b>807</b>	<b>5583</b>	<b>100</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>

## RSPO PUBLIC SUMMARY REPORT

### 3.0 AUDIT FINDINGS

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

YES, Increase planted area of 21 ha under planted area, as AAR GPS survey in year 2020. Under declared in year 2019.

#### 3.2 Progress and changes in time bound plan (Refer to Attachment 6 for the time bound plan)

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

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

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

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

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

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

If no, please state reasons NA

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

N/A

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

No

3.4 Status of previous non-conformities \* ☒ Closed ☐ Not closed\*

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

#### 3.5 Complaint received from stakeholder (if any)

No significant complaints from stakeholders were observed.

## RSPO PUBLIC SUMMARY REPORT

### 4.0 DETAILS OF NON-CONFORMITY REPORT

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

Total no. of minor NCR(s)  
(details refer to Attachment 4 )                      **List : -**                      NA

Total no. of major NCR(s)  
(details refer to Attachment 4)                      **List : 2**                      RAR 01 2020 (7.10.1), MZK 01 2020 (7.12.4)

#### 4.2 For SC (Details checklist refer to Attachment 3) :

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

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

### 5.0 AUDIT CONCLUSION

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

## RSPO PUBLIC SUMMARY REPORT

### 6.0 RECOMMENDATION

☐ **No NCR recorded. Recommended to continue certification.**

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

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

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

☒ Recommended to continue certification.

☐ **Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s) 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.*

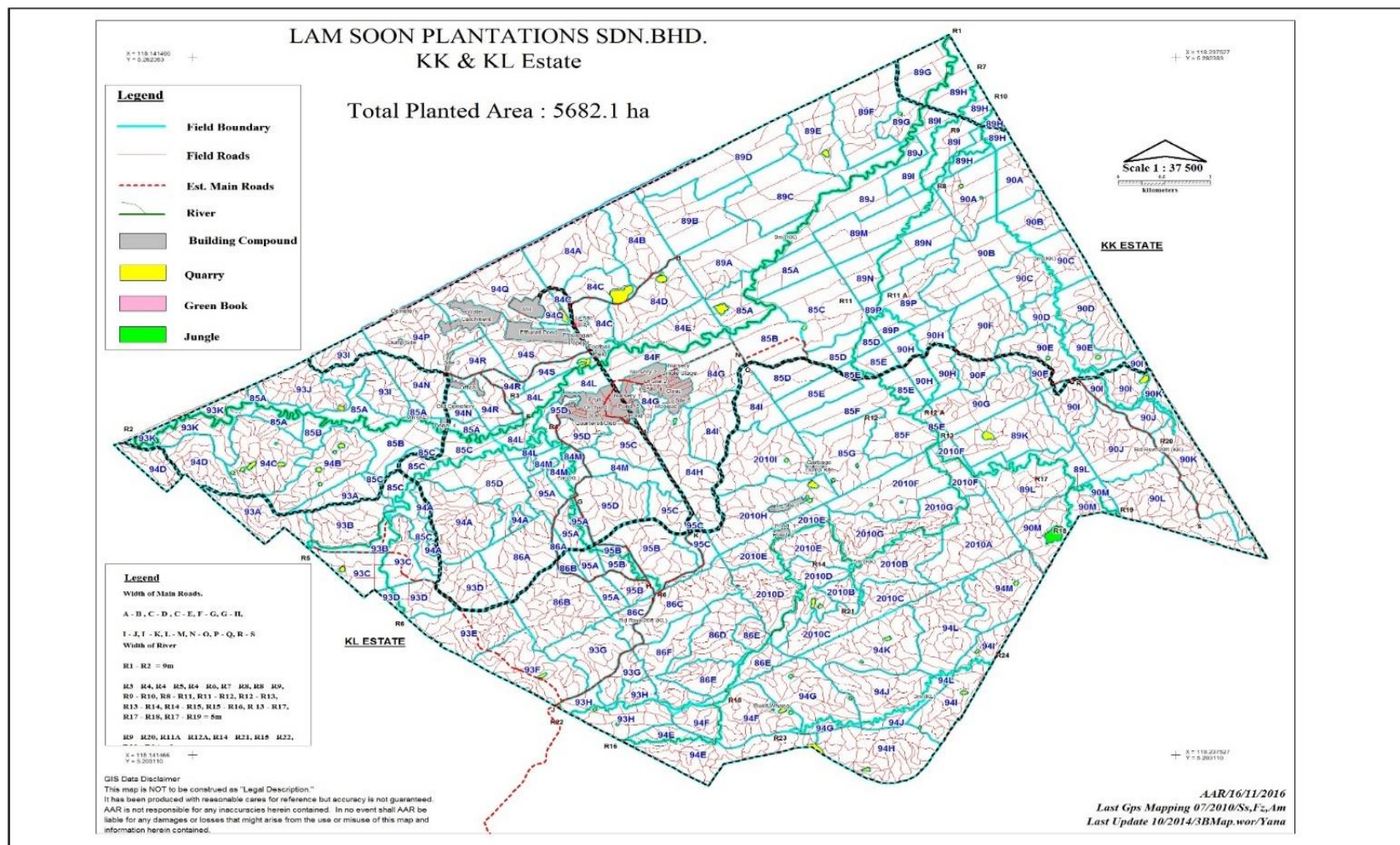
**7.0 IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.**

**Audit Team Leader :** MOHD ZULFAKAR BIN KAMARUZAMAN  
(Name)

  
(Signature)

17/11/2020  
(Date)

### Map Lam Soon Estate



**RSPO SURVEILLANCE AUDIT PLAN****1. Objectives**

The objectives of the audit are as follows:

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

**2. Date of assessment** : 24-27 August 2020

**3. Site of assessment** : Lam Soon Plantations Sdn Bhd Certification Unit;  
 (i) Lam Soon Palm Oil Mill  
 (ii) Lam Soon Estate

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

**5. Reference Standards used** :  
 (i) RSPO P&C MYNI:2019  
 (ii) RSPO Certification Systems, June 2017  
 (iii) Company's audit criteria including Company's Manual/Procedures

**6. Assessment team members**

- (i) Audit Team Leader : Mohd Zulfakar bin Kamaruzaman (Supply chain, Social, HCV)
- (ii) Auditor : i) Rozaimie bin Ab Rahman (Safety, Environment, GAP)  
 ii) Mohd Ab Raouf bin Asis (Social, TBP)

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

7. **Audit method**

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

8. **Audit Findings**

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

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

For minor non conformities raised in the surveillance audit, corrective action shall be verified in the next audit. These shall be upgraded to major non- conformities if the corrective actions are not satisfactory implemented in the next audit. For major non conformities raise in the surveillance audit, correction shall be verified in the next audit.

9. **Confidentiality Requirements**

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

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

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

11. **Reporting**

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



## 12. Facilities required

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

## 13. Assessment Programme Details :

Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Raouf	Rozaimée
<b>Day 1: 25 August 2020 (Tuesday)</b>				
8.30am – 9.15am	<b>Opening Meeting – Venue: Lam Soon Estate</b> <ul style="list-style-type: none"> <li>Audit team Leader - Briefing on assessment objectives, scope, methodology, confidentiality clarification, audit criteria and programmes</li> <li>Organization Representative - Briefing RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB supply bases , Time bound plan, actions taken to address previous audit findings.</li> </ul>	/	/	/
9.15am – 12.30pm	<b>Site observation to Lam Soon Estate (div A)</b> <b>P1, P2, P3, P4, P5, P6, P7</b> <ul style="list-style-type: none"> <li>Occupational safety &amp; health aspects , chemical management</li> <li>Interview with workers, contractors etc.</li> <li>Environmental management, waste &amp; chemical management</li> <li>Land titles user rights</li> <li>Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>Stakeholder consultation with affected communities surrounding the CU</li> <li>Interview with gender committee, safety committee, worker representative, contractors, supplier, etc.</li> <li>Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM,</li> <li>New planting</li> <li>Occupational safety &amp; health aspects, chemical management</li> <li>Interview with workers, contractors etc.</li> <li>Environmental management, waste &amp; chemical management</li> <li>RSPO Supply chain standard implementation including model requirements</li> </ul>	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/
1.30pm – 5.00pm	Continue assessment at respective sites	/	/	/

Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Raouf	Rozaimiee
<b>Day 2: 26 August 2020 (Wednesday)</b>				
8.30am – 12.30pm	<b>Site observation to Lam Soon Estate (div B)</b> <ul style="list-style-type: none"> <li>• <b>P1, P2, P3, P4, P5, P6, P7</b></li> <li>• Verification of basic information estate</li> <li>• Confirmation of time bound plan &amp; review of partial certification</li> <li>• Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone</li> <li>• Occupational safety &amp; health aspects , chemical management</li> <li>• Interview with workers, contractors etc.</li> <li>• Environmental management, waste &amp; chemical management</li> <li>• Social aspects -SIA, management plan &amp; implementation, workers' quarters,</li> <li>• Stakeholder consultation with affected communities surrounding the estate</li> <li>• Interview with gender committee, safety committee, worker representative, contractors, supplier, etc.</li> <li>• Land titles user rights</li> <li>• Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM,</li> <li>• New planting</li> <li>• Interview with workers, contractors etc.</li> <li>• Occupational safety &amp; health aspects , chemical management</li> <li>• Interview with workers, contractors etc.</li> <li>• Environmental management, waste &amp; chemical management</li> </ul>	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/
1.30pm – 5.00pm	Continue assessment at respective sites	/	/	/
Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Raouf	Rozaimiee
<b>Day 3: 27 August 2020 (Thursday)</b>				
8.30am – 12.30pm	<b>Site observation to Lam Soon POM</b> <p><b>P1, P2, P3, P4, P5, P6, P7</b></p> <ul style="list-style-type: none"> <li>• Occupational safety &amp; health aspects , chemical management</li> <li>• Interview with workers, contractors etc.</li> <li>• Environmental management, waste &amp; chemical management</li> <li>• Land titles user rights</li> <li>• Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>• Stakeholder consultation with affected communities surrounding the CU</li> <li>• Interview with gender committee, safety committee, worker representative, contractors, supplier, etc.</li> <li>• Palm Oil Mill Operation including Sterilizer, Kernell</li> <li>• New planting</li> <li>• Occupational safety &amp; health aspects, chemical management</li> <li>• Interview with workers, contractors etc.</li> <li>• Environmental management, waste &amp; chemical management</li> <li>• RSPO Supply chain standard implementation including model requirements</li> </ul>	/	/	/

12.30pm – 1.30pm	Lunch Break	/	/	/
1.30pm – 5.00pm	Continue assessment at respective sites		/	
Date / Time	Coverage of assessment / Activity / Site	Zulfakar	Raouf	Rozaimiee
<b>Day 4: 28 August 2020 (Friday)</b>				
8.30am – 12.30pm	<b>Site observation to Lam Soon POM</b> <b>P1, P2, P3, P4, P5, P6, P7</b> <ul style="list-style-type: none"> <li>Occupational safety &amp; health aspects , chemical management</li> <li>Interview with workers, contractors etc.</li> <li>Environmental management, waste &amp; chemical management</li> <li>Land titles user rights</li> <li>Social aspects - SIA, management plan &amp; implementation, workers' quarters,</li> <li>Stakeholder consultation with affected communities surrounding the CU</li> <li>Interview with gender committee, safety committee, worker representative, contractors, supplier, etc.</li> <li>Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM,</li> <li>New planting</li> <li>Occupational safety &amp; health aspects, chemical management</li> <li>Interview with workers, contractors etc.</li> <li>Environmental management, waste &amp; chemical management</li> <li>RSPO Supply chain standard implementation including model requirements</li> </ul>	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/
1.30pm – 3.30pm	Continue assessment at respective sites	/	/	/
3.30pm – 4.00pm	<ul style="list-style-type: none"> <li>Verification on outstanding issues</li> <li>Audit team discussion, preparation on audit findings and issuance of nonconformity report (if any)</li> </ul>	/	/	/
4.00pm -5.00pm	<ul style="list-style-type: none"> <li>Closing meeting – venue at <b>Lam Soon Estate</b></li> <li>Presentation of audit findings, positive comment,</li> <li>Question &amp; answer</li> </ul>	/	/	/

## MALAYSIA NATIONAL INTERPRETATION 2019 FOR RSPO PRINCIPLE &amp; CRITERIA 2018

**Principle 1: Behave ethically and transparently**

Drive ethical business behaviour, build trust and transparency with stakeholders to ensure strong and healthy relationships.

Clause	Indicators	Comply Yes/No	Findings
1.1 The unit of certification provides 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 (C) Documents that are specified in the RSPO P&C are made available to the public.	YES	The CU continued to use their website for disseminating public information. Information relating to land titles, policies, environmental, social and/or legal, complaints and grievances are available at <a href="http://lamsoonplantations.com.my">http://lamsoonplantations.com.my</a>
	1.1.2 Information is provided in appropriate languages and accessible to relevant stakeholders.	YES	The CU continued to use their website for disseminating public information. Information relating to land titles, policies, environmental, social and/or legal, complaints and grievances are available at <a href="http://lamsoonplantations.com.my">http://lamsoonplantations.com.my</a>
	1.1.3 (C) Records of requests for information and responses are maintained.	YES	Management documents relating to environment, social and legal issues, were available to the public except for those prevented by commercial confidential or where disclosure of information would result in negative environmental or social outcomes. The CU has provided relevant information (environmental, social and/or legal) as requested by the relevant stakeholder during the annual stakeholder meeting and also where requested during annual audit by SIRIM.
	1.1.4 (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.	YES	The CU continued to implement the procedure titled 'Consultation and Grievances Procedure Internal/External' for responding to any communication from internal/external. The procedure was made available on the notice boards in the Estate and Mill offices and Muster Grounds. 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. There is evidence that the management has communicated and responded adequate information to its stakeholders on environmental, social and legal issues.
	1.1.5 There is a current list of contact and details of stakeholders and their nominated representatives.	YES	<b>Remote</b> The CU continued to maintain the stakeholder's information in the list of stakeholders (name of parties, address, contact number, nominated representatives) which included the contractors, vendors/suppliers, foreign recruitment agencies, embassy, government agencies, schools, local communities, CPO/PK customers, and others.
1.2 The unit of certification commits to ethical conduct in all business	1.2.1 A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.	YES	Code of ethical conduct and integrity titled 'Ethical Business Conduct'/ 'Code of Conduct' has been established in June 2016 and communicated to all staffs and workers.

Clause	Indicators	Comply Yes/No	Findings
operations and transactions.	1.2.2 A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.	YES	The Vendor COBC applies to all its suppliers, consultants, agents, contractor's /service providers who have direct dealings with the Group.

## **Principle 2: Operate legally and respect rights**

Implement legal requirements as the basic principles of operation in any jurisdiction.

Clause	Indicators	Comply Yes/No	Findings
2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1 (C) The unit of certification complies with applicable legal requirements.	YES	These were reviewed for Lam Soon CU; Generally, they complied with the applicable legal requirements. License trading, Air receiver permit, MPOB license, Energy commission license, License to employee foreign workers, Permit to salary deduction, Permit to diesel storage, Permit to overtime from JTK. 1) Factory and Machinery Act 1967 – i) <i>Person In Charge Regulation 1970</i> ii) <i>Steam Boiler and Unfired Pressure Vessel 1970</i> iii) <i>The Factories and Machinery (Notification, Certificate of Fitness and Inspection), Regulations, 1970</i> 2) EQ (Prescribed Premise) Crude Palm Oil Regulations 1977 3) EQ (Scheduled Waste) Regulations 2005 i) Regulation 3 (Notification of scheduled waste generated) ii) Regulation 9 (Storage of scheduled waste < 180 days) iii) <i>Regulation 11 (Inventory of scheduled waste)</i> 4) OSHA 1994, Use and Standards Of Exposure of Chemicals Hazardous to Health Regulations 2000 i) <i>Regulation 27 (health surveillance programme)</i> ii) <i>Noise Exposure Regulations 1989</i>
	2.1.2 A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.	YES	Changes to the law and regulation were monitored by the sustainability manager/officer through procedure "LSP Sdn Bhd System for tracking Changes. Various sources were referred in obtaining information about the updates of legal requirements. This include checking with the industrial association (e.g. MPOA, EMPA, SECA, etc.), attending seminar/conference, buying of the law books, government agencies websites, etc.
	2.1.3 Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.	YES	Boundary stones / markers along the legal boundaries observed visibly maintained by the CU. Auditor has verified the boundary stone and pegs 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.

Clause	Indicators	Comply Yes/No	Findings
2.2 All contractors providing operational services and supplying labour and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.	2.2.1 A list of contracted parties is maintained.	YES	A list of contracted parties is maintained. As at documents reviewed, 20 contractors have listed in the stakeholder list.
	2.2.2 All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/accredited) for migrant workers, service providers and labour contractors, is available.	YES	Each contract issued to suppliers and contractors contain a clause requiring compliance with legal requirements. There is addendum sign for contractor contains a provision that the contractor shall comply with the provisions of the relevant Acts, regulations and by-laws Evidence of legal due diligence carried out include getting the vendors to sign the Agreement where they undertake to comply with rules relating to labour and human rights, company ethics and management practices, and would comply with all laws and regulations relating to anti-bribery, fraud and corruption.
	2.2.3 All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.	YES	All contracts sampled at Lam Soon CU contain a clause on no child, forced and trafficked labour. This is stipulated under Addendum of the Agreements which states that the Contractor warrants that it shall not use or promote use of child labour, forced, bonded labour or human trafficking.
2.3 All FFB supplies from outside the unit of certification are from legal sources.	2.3.1 (C) For all directly sourced FFB, the mill requires: <ul style="list-style-type: none"> <li>Information on geo-location of FFB origins.</li> <li>Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder</li> <li>One or more supporting documents for claims</li> <li>Valid MPOB license</li> </ul>	YES	In progress. RSPO has provided the timeline which is 1 year from date of launch of MYNI for the mill to obtain and compile the information above.
	2.3.2 For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.	YES	Currently in Lam Soon POM there is no practice of indirectly source of FFB. All FFB are received direct from the suppliers.

### **Principle 3: Optimise productivity, efficiency, positive impacts and resilience**

Implement plans, procedures and systems for continuous improvement.

Clause	Indicators	Comply Yes/No	Findings
3.1 There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.	3.1.1 (C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.	YES	LSP continued to be committed to long term economic and financial viability. The annual budgets for 2020 to 2023 was sighted. The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budget included projections on yield/ha, and total cost of production per mt & per ha.
	3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available.	YES	The long-range replanting program (LRRP) until 2024 were sighted for both Estates of LSP. This program was reviewed once a year and was incorporated in their annual financial budget.
	3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	YES	<b>Remote</b> Management review has been planned to conduct yearly basis. Sighted latest management review meeting has been conducted on dated Jan 2020 (combine RSPO, RSPO SCCS and MSPO) to discuss issues related to audit findings, estate and mill operations.
3.2 The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.	3.2.1 (C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.	YES	<b>Remote</b> The management documents in relation to environmental and social plans and impact assessments implemented by the CU were made available and maintained at all audited operating units.
	3.2.2 As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template.	N/A	NOT APPLICABLE
3.3 Operating procedures are appropriately documented, consistently implemented and monitored.	3.3.1 (C) Standard Operating Procedures (SOPs) for the unit of certification are in place.	YES	Available and in-place.
	3.3.2 A mechanism to check consistent implementation of procedures is in place.	YES	The mechanisms to check the implementation of procedures were carried out through internal audit, safety and health meeting and routine inspection (workplace inspection) by Assistant Managers, Engineers, Performane Monitoring unit visit, field and office staff including the Medical Assistant.
	3.3.3 Records of monitoring and any actions taken are maintained and	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

Clause	Indicators	Comply Yes/No	Findings
	available.		on monitoring of all activities were made available during the audit as well as official monthly reporting to MPOB.
3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.	3.4.1 (C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/outgrower scheme, is documented.	YES	LSP has established its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) which covers from upstream activities such as FFB reception until downstream processes was sighted during assessment. Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental aspects are the boiler stack emission, which is associated with air emission, palm oil mill effluent (POME) discharge (water pollution) and land contamination which related to the management of scheduled wastes and general waste. For estate operations, all activities from harvesting, pest and disease, upkeep programme until delivery to mill have been identified.
	3.4.2 For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.	YES	The Social Impact Assessment and Management Action Plan Lam Soon Plantations Sdn Bhd is a combined document between the Estate and Mill. The plan is updated yearly and the last update was done on April 2020. The environmental and social management and monitoring plans have been developed with participation of affected stakeholders via comment conducted on Aug 2020, through email and letter for 124 relevant stakeholders. The stakeholder meeting was postponed due to Pandemic COVID-19.
	3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.	YES	The social management and monitoring plan were reviewed at least once a year. The environmental and social management and monitoring plans have been developed with participation of affected stakeholders via comment conducted on Aug 2020, through email and letter for 124 relevant stakeholders. The stakeholder meeting was postponed due to Pandemic COVID-19.
3.5 A system for managing human resources is in place.	3.5.1 Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives.	YES	<b>Remote</b> Employment procedures dated May 2020 for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives as listed below: <ul style="list-style-type: none"> <li>• Prosedur Pemilihan Pekerja (Selection)</li> <li>• Prosedur Pengambilan &amp; Penggajian Pekerja (Hiring)</li> <li>• Prosedur Pengambilan Pekerja Asing (Recruitment Foreign Workers)</li> <li>• Prosedur Kenaikan Pangkat &amp; Gaji Pekerja (Promotion)</li> <li>• Prosedur Persaraan Pekerja Tempatan (Retirement)</li> <li>• Prosedur Pemberhentian Pekerja (Termination)</li> </ul>
	3.5.2 Employment procedures are implemented, and records are maintained.	YES	Employment procedures were implemented, and records were maintained.
3.6 An occupational health and safety (H&S) plan is documented,	3.6.1 (C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.	YES	The hazard identification, risk assessment and risk control (HIRARC) procedure has been established. Lam Soon CU have conducted the risk assessment on all its operation as well as determining their control measures.



Clause	Indicators	Comply Yes/No	Findings
effectively communicated and implemented.	3.6.2 (C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.	YES	Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by the Plantation Director of Lam Soon Plantation and displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by estate and mill. Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors. In interviews with the workers and staff during the site visit workshop, office compound, workshop, laboratory, engine room, boiler house) revealed that the employees had been briefed and had understood the policy. The implementation of OSH plan was monitored by internal audits conducted by OSH officer and quarterly workplace inspection.
3.7 All staff, workers, Scheme Smallholders, and outgrowers, and contract workers are appropriately trained.	3.7.1 (C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account gender-specific needs, and which covers applicable aspects of the RSPO P&C, in a form they understand, and which includes assessments of training.	YES	Formal training programmed for 2020 that covered aspects of the RSPO Principles and Criteria, with regular assessments of training needs were available for all the audited sites. Training Plan was for each operating unit were established. A training need has been established with target dates for the training identified.
	3.7.2 Records of training are maintained, where appropriate on an individual basis.	YES	Made available or review.
	3.7.3 Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.	YES	Appropriate training for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS) has been conducted in Aug 2020.

### **SUPPLY CHAIN REQUIREMENTS FOR MILLS**

**Disclaimer text:** The following section is taken verbatim from the RSPO Supply Chain Certification Standard (14 June 2017) (RSPO SCCS), general requirements as well as modules D & E for mills. The RSPO SCCS is the document in vigour for these requirements and should be referred to in any cases of uncertainty. Any references to other modules or sections contained in the table below, refer to the RSPO SCCS document. As per RSPO SCCS, **all requirements are major Indicators** (i.e. **equivalent of critical Indicators in P&C 2018**).

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.1	Identity Preserved Module A mill is deemed to be IP is the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO P&C, or against a Group Certification Scheme Certification for the CPO mills is necessary to verify the volumes and sourced of certified FFB entering the mill, the implementation of any processing control as and volume sales of RSPO certified products. If a mill processes certified and uncertified FFB without physically separating them, the inly MB Module is applicable.	YES	Lam Soon Palm Oil Mill (LSPOM) sourced for their FFB only from estates under the same CU which involve Lam Soon estate. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products. Details as in Table 3 of this report.
3.8.2	Mass balance Module A mill is deemed to be MB is the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3 <sup>rd</sup> party certified supply base.	YES	Not applicable since this is IP Mill
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	YES	This has been made available, as in Table 4 of this report.
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform).	YES	The mill observed to have met registration and reporting requirements for supply chain through the RSPO Palm Trace. The registration information were: Name: LAM SOON PLANTATIONS SDN.BHD Country: Malaysia. Member Category: Oil Mil Core product: Palm Oil Start date: 25-09-2019 End date: 24-08-2020 Copy of Shipping Announcement was provided during the audit as evident of compliance to reporting requirement as listed by the standard.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.5	<p>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: Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</p> <ul style="list-style-type: none"> <li>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>• 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 organisation's procedures for the implementation of this standard.</li> <li>• The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</li> </ul>	<b>YES</b>	<p>The procedure was kept in file RSPO Supply Chain Manual (SCM/RSPO/SD) Appropriate changes were also made in the change to include the new clause Production of ISCC certified waste/residues materials at the mill. Appropriate training for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS) has been conducted in Aug 2020.</p> <p>The Senior Assistant Engineer have the overall responsible and authority over the implementation of RSPO supply chain requirement in RSPO Lam Soon POM. Interview with sustainability committee member, mill manager, assistant mill manager &amp; weighbridge operator was confirmed they are understood the supply chain requirements.</p> <p>LSPOM had continued to implement the procedures it had on receiving and processing of RSPO certified and non- certified FFBs. (Refer para. Production and Storage – Plant &amp; Storage Tanks (Critical Control Point)) it has described how LSPOM manages the FFB from certified source.</p>
3.8.6	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organisation; Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <ul style="list-style-type: none"> <li>• Effectively implements and maintains the standard requirements within its organisation.</li> <li>• 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 non-</li> </ul>	<b>YES</b>	<p>RSPO internal audit was conducted in Nov – Dec 2019 by internal auditor. The internal audit has followed the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. The management review meeting has been conducted in Jan 2020.</p>

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	conformities shall be subject to management review at least annually. The organisation shall be able to maintain the internal audit records and reports.		
3.8.7	<p>The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.</p>	YES	<p>Lam Soon POM received certified FFB from own Estate Which is Lam Soon estate. Approved Sustainable Supplier List (ASSL) for LSPOM.</p> <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>
3.8.8	<p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single-documents or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documentation and specification documentation):</p> <ol style="list-style-type: none"> <li>The name and address of buyer;</li> <li>The name and address of the seller</li> <li>The leading or shipment/delivery date;</li> <li>The date on which the documents were issued;</li> <li>RSPO certificate number;</li> <li>A description of the product, including the applicable supply chain model (IP or MB or the approved abbreviations);</li> <li>The quantity of the products delivered;</li> <li>Any related transport documentation</li> <li>A unique identification number</li> </ol>	YES	<p>Documented procedures related to sales and goods out were sighted and found adequate. The requirement of sales &amp; goods out especially on notation of applicable Supply Chain model &amp; Certificate number being complied by indicating in weighbridge dispatch ticket.detail of weighbridge ticket, CPO dispatch note, Dispatch oil quality ticket, Authorization from transporter, Borang MPOB L3, CPO dispatch authorization has been verify by the auditor.</p>

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.9	<p>Outsourcing Activities</p> <p>(i) The mill shall not outsource its milling activities. In cases where the mill outsourced activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO SC Certification.</p> <p>(ii) The mill shall ensure the following:</p> <p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that CB has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to the respective operations, systems, and all information, when this is announced in advance.</p>	YES	LSPOM has outsource the transportation of certified CPO and certified PK. An agreement covering the outsources activity were sighted. It has been noted that the meeting highlighted the information on the implementation of RSPO standard.
3.8.10	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	YES	List of contact person for both transporters were made available and up-to-date in the stakeholder list. And was updated in Jan

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	YES	No new contractors used and will be used in the future for the processing or production of RSPO certified materials.
3.8.12	i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.	YES	Sighted CPO and PK delivery note, weighbridge ticket, production data, internal audit and management review records were found up-to-date.
	ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	YES	Relevant record was maintained.
	iii ) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.	YES	Lam Soon POM has maintained the continuous accounting system to record RSPO certified FFB and deliveries of RSPO certified CPO and PK. The data was the summary from their daily template as mentioned above.
	iv) For Mass Balance Module, the mill: a. shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b. All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell	YES	Not Applicable since this mill is IP Mill

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	short (i.e. product can be sold before it is in stock.)		
3.8.13	Extraction rate The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.	YES	Lam Soon POM process all the received certified crop & their processing output will be based on their actual Oil Extraction Rate (OER) as well as Kernel Extraction Rate (KER). These figures were monitored on daily & monthly basis by the mill using the prepared template (e.g. Monthly Production Statement 2020) to ensure their accuracy as well as monitoring of their ongoing performance.
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	YES	
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.	YES	Sales activities usually handled by Lam Soon Marketing Department (HQ) on behalf of Lam Soon POM. The dispatch of the RSPO certified CPO/ PK to buyer by Lam Soon POM were made based on a specific contract.
3.8.16	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform	YES	The registration of transaction being carried out by Lam Soon Plantations.
3.8.17	Claims The mill shall only make claims regarding	YES	Relevant information on product claim (including applicable Supply Chain model and certificate number) being correctly indicated in the relevant outgoing paperwork/Lam Soon

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.		Palm Oil Mill SOP on Supply Chain. Lam Soon POM has not use RSPO corporate logo as well as trademark logo

#### **Principle 4: Respect community and human rights and deliver benefits**

Respect community rights, provide equal opportunities, maximise benefits from engagement and ensure remediation where needed.

Clause	Indicators	Comply Yes/No	Findings
4.1 The unit of ce respects human rights, which includes respecting the rights of Human Rights Defenders.	4.1.1 (C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.	YES	A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders, is documented dated 2 January 2020 and made available at LSP website at <a href="http://lamsoonplantations.com.my">http://lamsoonplantations.com.my</a> . 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 basic human rights.
	4.1.2 The unit of certification does not instigate violence or use any form of harassment in their operations.	YES	As observed during the audit, and in interviews held with local communities and workers, there is no evidence of instigation of violence or harassment of the operations at Lam Soon CU.
4.2 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.	4.2.1 (C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.	YES	The mutually agreed system or SOP titled 'Consultation and Grievances Communication Procedure Internal/External' open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensure anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD. This procedure is open to all employees and stakeholders. The documented system comes in the form of complaints form/book where complainant can fill up and submit to the office.
	4.2.2 Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.	YES	Lam Soon CU have created a complaints form/books where complainant can fill up and submit to the office. Most of the complaints were resolved within 2 to 7 days, depending on the complexity of the complaints. Sighted the books and the complaint is mainly regarding housing, roads and grass cutting complaint at POM, at Estate the book is used for employees to lodge complaint pertaining to their houses and the issues will solved



Clause	Indicators	Comply Yes/No	Findings
			within a week. Lam Soon maintained affirms that its dispute system is open to any affected parties including whistle-blower.
	4.2.3 The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.	YES	There is evidence that Lam Soon CU keeps parties to a grievance informed of progress.
	4.2.4 The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.	YES	The conflict resolution mechanism does have an option for aggrieved parties to have the option for representatives of their choice. It stated in Consultation and Grievances communication Procedure Internal/External' dated May 2020 under Clause external Stakeholder. SOP named Consultation and Grievances Communication Procedure Internal/External' which was prepared by the RSPO Unit of Lam Soon.
4.3 The unit of cert contributes to local sustainable dev. as agreed by local comm.	4.3.1 Contributions to community development that are based on the results of consultation with local communities are demonstrated.	YES	It is evident that Lam Soon estate and the mill provide contributions to the local communities.
4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	4.4.1 (C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through an FPIC process. Documents related to the history of land tenure and/or the actual legal or customary use of the land are available.	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.
	4.4.2 Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	YES	As reported in 4.4.1 of this checklists, 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.

Clause	Indicators	Comply Yes/No	Findings
	4.4.2a Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.	YES	As above.
	4.4.2b Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken.	YES	As above.
	4.4.2c Evidence that the legal, economic, environmental and social implications of 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 unit of certification's title, concession or lease on the land.	YES	As above.
	4.4.3 (C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).	YES	As above.
	4.4.4 All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	YES	This requirement in this indicator does not apply to Lam Soon CU.

Clause	Indicators	Comply Yes/No	Findings
	4.4.5 (C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.	YES	This requirement in this indicator does not apply to Lam Soon CU.
	4.4.6 There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.	YES	This requirement in this indicator does not apply to Lam Soon CU.
4.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.	4.5.1 (C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.	YES	Based on Social Impact Assessment (SIA) Report for Lam Soon CU and land title, there was no new plantings are established on local peoples' land. 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.
	4.5.2 (C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.	YES	As reported in 4.4.1 of this checklist, It has been verified that the land is now legitimately owned by Lam Soon CU since 1986. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office, Glenmarie, Shah Alam and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.
	4.5.3 Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.	YES	As reported in 4.4.1 of this checklist, It has been verified that the land is now legitimately owned by Lam Soon CU since 1986. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office, Glenmarie, Shah Alam and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.

Clause	Indicators	Comply Yes/No	Findings
	4.5.4 To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.	YES	As reported in 4.4.1 of this checklist, It has been verified that the land is now legitimately owned by Lam Soon CU since 1986. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office, Glenmarie, Shah Alam and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.
	4.5.5 Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.	YES	As reported in 4.4.1 of this checklist, It has been verified that the land is now legitimately owned by Lam Soon CU since 1986. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office, Glenmarie, Shah Alam and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.
	4.5.6 Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.	YES	As reported in 4.4.1 of this checklist, It has been verified that the land is now legitimately owned by Lam Soon CU since 1986. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office, Glenmarie, Shah Alam and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.
	4.5.7 New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.	YES	There were no new lands acquired for plantation and mills after 15/11/2018. The current operation area including mill and estates as per stated in the land title
4.6 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with	4.6.1 (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.	YES	The Lam Soon CU has a standard procedure for identifying procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation issues known as "Land Dispute Compensation and Calculation Procedure" and "Procedure For Calculating & Distribution Fair Compensation". The procedures state out the detailed process of compensation for issues/disputes related to land, ownership and access to land. It also states how compensation are to be dealt with. However, as of the date of the audit, no evidence is available at either the Estate or Mill of any dispute related to on customary rights, boundary disputes, etc.

Clause	Indicators	Comply Yes/No	Findings
thru a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	4.6.2 (C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.	YES	In accordance with the 'Land Dispute Compensation and Calculation Procedure" and "Procedure For Calculating & Distribution Fair Compensation is established. However, there was no issue/case related to this indicator as verified by audit team during consultation with staff and workers at mill and visited estates.
	4.6.3 Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings.	YES	There was no scheme small holdings at Lam Soon Plantations Sdn Bhd CU. The Fresh Fruit Bunches are supplied from Lam Soon owned estates which are certified to RSPO.
	4.6.4 The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.	YES	There was no process and outcomes of any negotiated agreements, compensation and payments to any affected parties.
4.7 For new planting, where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.	4.7.1 (C) A mutually agreed procedure for identifying people entitled to compensation is in place.	YES	The procedure for identifying legal, customary or user rights, and compensation process is incorporated in the Land Dispute Compensation and Calculation Procedure" and "Procedure For Calculating & Distribution Fair Compensation", the procedure for calculating and distributing fair compensation falls within the purview of the Land Management Department of at the Lam Soon Head Office.
	4.7.2 (C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.	YES	There was no issue regarding compensation (monetary or otherwise) with villagers, local community and neighbouring estate.
	4.7.3 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.	YES	As reported in 4.4.1 of this checklist, It has been verified that the land is now legitimately owned by Lam Soon CU since 1986. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office, Glenmarie, Shah Alam and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.
4.8 The right to use the land is demonstrated and is not legitimately contested by local	4.8.1 Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available	YES	As reported in 4.4.1 of this checklist, It has been verified that the land is now legitimately owned by Lam Soon CU since 1986. All the related documentation regarding the land acquisition was kept in Lam Soon HQ Office, Glenmarie, Shah Alam and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate.

Clause	Indicators	Comply Yes/No	Findings
people who can demonstrate that they have legal, customary, or user rights.	and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.		
	4.8.2 (C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.	YES	Land conflict is not present in the area of the unit of certification.
	4.8.3 Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements.	YES	There was no evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations.
	4.8.4 For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities where applicable).	YES	There was no conflict or dispute over the land.

**Principle 5: Support smallholder inclusion**

Include smallholders in RSPO supply chains and improve their livelihoods through fair and transparent partnerships.

Clause	Indicators	Comply Yes/No	Findings
5.1 The unit of certification deals fairly and transparently with all	5.1.1 Current and previous period prices paid for FFB are publicly available and accessible by smallholders.	Yes	Fresh Fruit Bunches were supplied from Lam Soon Plantations owned estates (Lam Soon Estate) which are certified to RSPO. There was no third-party FFBs sent to the mill. Thus, no contract involved with smallholder.
	5.1.2 (C) Evidence is available that the		Fresh Fruit Bunches were supplied from Lam Soon Plantations owned estates (Lam Soon

Clause	Indicators	Comply Yes/No	Findings
smallholders (Independent and Scheme) and other local businesses.	unit of certification regularly explains the FFB pricing to smallholders.	Yes	Estate) which are certified to RSPO. There was no third-party FFBs sent to the mill. Thus, no contract involved with smallholder.
	5.1.3 (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.	Yes	As above
	5.1.4 (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.	Yes	As above
	5.1.5 Contracts are fair, legal and transparent and have an agreed timeframe.	YES	Interviews conducted with contractors and suppliers at estate, FFB Transporter, FFB Harvesting, Grass cutting, Garbage transporter, POM crude palm oil and palm kernel transporters etc. They confirmed their understanding of their rights and obligations under the contract. All contractors confirmed the fairness of the terms of their contract, and payments are usually received within 7 to 10 days of invoice issuance.
	5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.	YES	These contractors interviewed confirmed that payments are made in a timely manner, namely within 7 to 10 days of invoice.
	5.1.7 Weighing equipment is verified by an independent third party on a regular basis (this can be government).	YES	Weighing Equipment in Lam Soon POM has been calibrated by yearly basis using accredited weighing company Metrology Corporation Malaysia Sdn Bhd in May & Aug 2020.
	5.1.8 The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.	YES	Lam Soon CU supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. However, in Lam Soon CU, Fresh Fruit Bunches are supplied from Lam Soon owned estates (Lam Soon Estate) which are certified to RSPO. There is no third-party FFB sent to the mill.

Clause	Indicators	Comply Yes/No	Findings
	5.1.9 (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.	YES	A grievance mechanism which respects anonymity and protects complainants is in place at the Lam Soon CU as per the Grievances communication Procedure Internal/External' dated May 2020, 'Stakeholder Request', Grievances Procedure for Landowner Issues, Grievance procedure all dated January 2017. As at to date there is no complaint by stakeholders.
5.2 The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.	5.2.1 The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.	Yes	Lam Soon CU supports Independent Smallholders to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder). Noted that Lam Soon CU has invited nearby smallholders to attend the Stakeholder meeting scheduled in July 2020 to promote on RSPO certification. The minutes meeting explained regarding the RSPO to the smallholders.
	5.2.2 The unit of certification develops and implements smallholder support program to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder).	Yes	Lam Soon CU supports Independent Smallholders to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder). As above.
	5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.	Yes	As above.
	5.2.4 (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling.	Yes	Fresh Fruit Bunches were supplied from Lam Soon CU owned estates (Lam Soon Estate) which are certified to RSPO. There was no third-party FFBs sent to the mill.
	5.2.5 The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.	Yes	As above.



**Principle 6: Respect workers' rights and conditions**

Protect workers' rights and ensure safe and decent working conditions.

Clause	Indicators	Comply Yes/No	Findings
6.1 Any form of discrimination is prohibited.	6.1.1 (C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union m/ship, political affiliation or age.	YES	The CU has also developed an Equal Opportunity Policy dated 10 October 2017, signed by its Plantation Director. Based on interviews conducted, workers confirmed that there is no element of discrimination within Lam Soon CU.
	6.1.2 (C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for migrant workers.	YES	Evidence is available that no employee has been discriminated against. This is evident from sampled employment contracts where all workers, (male, female, foreign, local) signed the same employment contract. Workers interviewed also confirmed that they face no form of discrimination.
	6.1.3 The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.	YES	Based on interviews with the estate and mill management and documentation review (interview assessment and medical report), recruitment selection, hiring and promotion are based on suitable job vacancies, experience, qualification/skill and medical fitness appropriate for the job. Interview of candidates will be done by Manager and the Assistant Managers where an evaluation form is filled up to determine the suitability of the candidate.
	6.1.4 Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.	YES	Based on documents, confirmed by the Health Assistants and workers at the Lam Soon CU, pregnancy tests were conducted when the workers presented themselves at the estate clinic and not conducted in a discriminatory manner. Alternative equivalent employment available.
	6.1.5 (C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.	YES	The meeting discussed various issues pertaining to the welfare of the gender committee members. The management had provided Kindergarten for employee's children without any fee. Noted that the committee had discussed the following matters: 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.
	6.1.6 There is evidence of equal pay for the same work scope.	YES	Equal opportunities policy contained within the Lam Soon Policy states that all employees shall be treated fairly in terms of recruitment, progression, terms and conditions of work regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age.

Clause	Indicators	Comply Yes/No	Findings
6.2 Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).	6.2.1 (C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.	YES	Lam Soon Estate 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. Labour laws, union and/or other collective agreements detailing payments and other conditions, was made available in the languages understood by the workers and explained to them by a management during induction.
	6.2.2 (C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.	YES	Contracts and conditions of employment are contained in employment contracts signed between the Mill and respective estates on one hand, and their workers on the other. The employment contracts sampled were prepared in either Bahasa Indonesia or in dual-language, namely English and the language commonly used in the worker's country of origin. Among others, the contracts defined the period of employment, wage rate, work benefits, overtime, annual leave, public holidays, contract termination, etc. Details on monthly salary and deductions for every worker and staff are reflected in their pay slips which are issued to the workers during pay day. For the local workers, there is evidence that the payment of statutory contributions such as EPF, SOCSO and Employment Insurance Scheme are being made in accordance with the relevant legal provisions. Further verification and interviews will be carried out during onsite audit.
	6.2.3 (C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.	YES	Evidence is available at the Lam Soon Palm Oil Mill that regular working hours as determined by the Sabah Labour Ordinance and stipulated in employment contracts are being adhered to. Any work in excess of 8 hours are being compensated as overtime. This is based on punch cards, check roll books, pay slips reviewed, and interviews held with workers at the Lam Soon Palm Oil Mill. Workers who have been certified ill are given paid medical leave. Salary deductions are made for EPF, SOCSO, EIS (local workers) and there are no deductions for foreign workers except for travel documents.
	6.2.4 (C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure.	YES	Evidence is available that Lam Soon CU provides adequate housing and facilities in accordance with the requirements of the Workers' Minimum Standard of Housing and Amenities Act 1990. All workers are provided with free accommodation as stated in their employment contracts, and free electricity and water supplies. With the exception mentioned below, the houses are generally in good state of repair. Each worker and staff housing area come with amenities such as CLC (Community Learning Centre) for foreign workers' children, creche, badminton/takraw/volleyball court, places of worship, sundry shops, and playing field. Clinic facilities are also available and medical treatment is provided free of charge to all employees and their dependents. Site visit has been made to CLC and creche and from their records, there was 265 pupils registered with CLC and 25 kids registered with KK creche. Observed the cleanliness of both facilities in satisfactory condition with inspections has been made fortnightly by Health Assistants and Assistant Incharged.

Clause	Indicators	Comply Yes/No	Findings
	6.2.5 The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.	YES	All units within Lam Soon CU have their own canteen/grocery store which sells basic items such as eggs, flour, rice, vegetables, frozen food such as fish, meat, onions, etc. Items seen in the stores are adequate, clearly labelled and within the expiry dates. Workers interviewed informed that they purchase items from these stores, and are able to either pay in cash, or on credit. Additionally, for KL and KK Estates, monthly <i>tamu</i> (mobile local markets) are also available where workers are able to have access to a wider variety of food items.
	<p>6.2.6 A "DLW" is paid to all workers, including those on piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE: A written policy with specific implementation plan, committing to payment of a "decent living wage" is in place. The implementation plan with specific targets, and a phased implementation process will be in place, including the following:</p> <ul style="list-style-type: none"> <li>• An assessment is conducted to determine prevailing wages and in-kind benefits already being provided to workers.</li> <li>• There is annual progress on the implementation of living wages</li> <li>• Where a minimum wage, based on equivalent basket of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment.</li> <li>• The unit of certification may choose to implement the "living wage" payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before an eventual scale-up of the living wage implementation</li> </ul> <p>Until such time where the Malaysian version of "decent living wage" has been endorsed by RSPO and implemented by the unit of certification, the Malaysian minimum wage has to be paid.</p>	YES	<p>Based on pay slips sighted, all sampled workers who complete the number of days offered in a month receive at least minimum wages applicable, which is RM1,100 per month, or more.</p> <p>Lam Soon CU also has carried out the calculation of prevailing wages and in-kind benefits as evidenced from the calculation of prevailing wages. The calculation took into account housing, electricity, water, education, child care and healthcare. Based on the breakdown given, the calculation of prevailing wages including in-kind benefits is reasonable.</p>
	6.2.7 Permanent, full-time employment is used for all core work performed by the unit	YES	All the estates and mill employ full-time employees. Foreign workers are full-time employees but have a contractual duration which is stipulated in their employment

Clause	Indicators	Comply Yes/No	Findings
	of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.		contracts which is 2 years for Indonesians and 3 years for other nationalities. This contract duration can be mutually extended subject to the annual work permit from the Malaysian Immigration Department.
6.3 The unit of certification 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 ind. and free association and bargaining for all such personnel.	6.3.1 (C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.	YES	Recognition of freedom of association is available in the Lam Soon Policy entitled "The Right of Freedom of Association of Employee" dated June 2016. The Policy 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 estate and mill.
	6.3.2 Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or BM) and made available upon request.	YES	Although there is no trade union operating within the estate premises, workers are not prohibited from appointing their own group leaders to represent them in the Joint Consultative (JCC) meetings with the management team. The JCC comprise management representatives and worker representatives, and is chaired by the Sustainability Officer.
	6.3.3 Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.	YES	Evidence is available that workers' representatives that sit in the Workers' Welfare and Social Committees have been independently and freely elected by the workers themselves. No evidence of any management interference was observed.
6.4 Children are not employed or exploited.	6.4.1 A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.	YES	The policy protection of children is covered in the Child Protection Policy (Polisi Perlindungan Kanak-Kanak) dated in January 2020. There was no evidence that the estate and the mill employed anyone below the age of 18 years. Auditor also verify through the contractors in the CU and confirmed there was no contractor workers available in the estate and mill. This was verified by examining the master lists of each operating unit where details of the workers' IC numbers, passport and dates of birth are available.
	6.4.2 (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.	YES	There was no evidence that the estate and mill employed anyone below the age of 18 years. Auditor also has verified contractor workers in the estate and mill. This was verified by examining the master lists, personal file, contracts and payslip of each operating unit where details of the workers' IC numbers, passport and dates of birth are available.
	6.4.3 (C) Young persons may be employed	YES	Based on documentation review such as personal files and employee databases, there was no young persons employed in both Lam Soon POM and Lam Soon Estate.

Clause	Indicators	Comply Yes/No	Findings
	only for non- hazardous work, with protective restrictions in place for that work.		Interviewed with sampled workers also, none of them in such categories.
	6.4.4 The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.	YES	Based on the documents sighted, communication about its no child labour Policy was communicated to all levels of employees as evidenced from training records available.
6.5 There is no harassment or abuse in the workplace, and reproductive rights are protected.	6.5.1 (C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.	YES	Lam Soon CU subscribes to the Workplace Harassment & Violence Policy dated in January 2020 which defines what constitutes sexual harassment. The Policy also states that the Company would comply with the relevant laws and increase awareness with regards to sexual harassment. The policy is written in the Bahasa Malaysia and English, and displayed on the notice boards. Awareness on sexual, other forms of harassments and violence are also briefed during muster and Women Welfare (Hal Ehwal Wanita) meeting held at mill and estate. The Women Welfare meetings are being held regularly where topics discussed include sexual harassment and violence. Members to lodge complaints if members encounter such incidence. Training regarding the policy has been conducted to all levels of workforce as verified.
	6.5.2 (C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.	YES	The statement and commitment to protect women's reproductive rights are available in 'Workplace Harassment & Violence Policy' signed by the Plantation Director in January 2020. This policy is also being displayed at the estate and mill notice board. Women Welfare (Hal Ehwal Wanita) has been established at the mill and estate levels to help disseminate awareness on issues relating to reproductive rights. Awareness on reproductive rights are also briefed during muster and Women Welfare (Hal Ehwal Wanita) meeting held at mill and estate. Training regarding the policy has been briefed to all workers as verified.
	6.5.3 Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.	YES	During this audit, there has been no evidence of any new mothers and therefore this indicator could not be verified. However, based on interview conducted with the Gender Committee members at Lam Soon Estate, two years ago when she was pregnant, her needs were attended to which included a private room where she could express milk and a fridge for storage were made available.
	6.5.4 A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.	YES	A grievance mechanism available at the Mill and Estate which is related to complaints against sexual harassment is available known as 'Sexual Harassment Procedure'. It also contains a '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.

Clause	Indicators	Comply Yes/No	Findings
6.6 No forms of forced or trafficked labour are used.	6.6.1 (C) All workers have entered into employment voluntarily , and the following are prohibited: <ul style="list-style-type: none"> <li>• Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes)</li> <li>• Charging the workers for recruitment fees</li> <li>• Contract substitution</li> <li>• Involuntary overtime</li> <li>• Lack of freedom of workers to resign</li> <li>• Penalty to the workers for termination of employment</li> <li>• Debt bondage</li> <li>• Withholding of wages</li> </ul>	YES	Collective evidence is available that all sampled workers have entered into employment voluntarily.
	6.6.2 (C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.	YES	Lam Soon CU has a special labour policy dated in Feb 2017 signed by the Plantation Director. Among the provisions on the Policy include ensuring voluntary recruitment, that workers are entitled to terminate their employment without any penalty, equal treatment and payment of equal wages, benefits including accommodation and no discrimination. The Policy also commits to no contract substitution, and that newly-recruited foreign workers are given training to help familiarise with local culture, safety, labour laws, etc.
6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to health.	6.7.1 (C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.	YES	<b>Remote</b> Estate / Mill Managers were appointed as responsible person(s) for safety and health issues and also chairman for OSH Committee. The Manager subsequently assigned duties of ESH coordinator to the Assistants or healthcare assistant for the down line implementation of ESH practices in the estate and mill. All identified Executives were officially given a letter for such an appointment. Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to the satisfactory maintained. Occupational Safety Health (OSH) Committee has been established together. The OSH committee organization chart for 2020 was available. The Estate/Mill Manager is the chairman and the Mill Engineer/Assistant Manager is the secretary. OSH Committee meetings were held once in three months.
	6.7.2 Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language	YES	Emergency Response Plan (ERP) was established. Among of procedure of ERP Document, such as ERP for Flood, Accident (Major or Minor), Fire Outbreak and Chemical Spillage . Furthermore, sighted also COVID-19 preparedness and response plan flow for operating unit with medical access limitation. Accident statistics were being maintained in a satisfactory manner and periodically reviewed. Accident/injury record were recorded using Lost Time Accident (LTA) metrics. Quarterly review on accident cases had been carried out during quarterly OSH committee

Clause	Indicators	Comply Yes/No	Findings
	understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.		meeting.
	6.7.3 (C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.	YES	All staff and workers such as the storekeepers, harvesters and sprayers were continuously trained, and random interviews conducted showed that they had understood the hazards involved and the usage and handling of chemicals in a safe manner. Appropriate PPE were given free of charge to all employees of estates visited. They were seen to wearing PPE such as face masks respirators, goggles, nitrile gloves, apron and hard hat, to cover all potentially hazardous operations such as mixing of pesticides and pesticide application. Meanwhile, during site inspection at LSP POM workers were provided with PPE such as helmet, safety boots, ear plugs, leather gloves, reflector jacket and most of the moving part and rotating machinery were installed with machine guarding and properly covered.
	6.7.4 All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.	YES	Local & Foreign workers are covered by SOCSO (Pertubuhan Keselamatan Sosial).
	6.7.5 Occupational injuries are recorded using Lost Time Accident (LTA) metrics.	YES	Occupational injuries are recorded using Lost Time Accident (LTA) metrics. Sighted the Lam Soon CU has maintained and updated the LTA Summary by monthly basis.

#### **Principle 7: Protect, conserve and enhance ecosystems and the environment**

Protect the environment, conserve biodiversity and ensure sustainable management of natural resources.

Clause	Indicators	Comply Yes/No	Findings
7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate	7.1.1 (C) IPM plans are implemented and monitored to ensure effective pest control.	YES	Both KK & KL Estates practiced IPM as the Agriculture Manual "Pest and Disease Policy" January 2017. 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.
	7.1.2 Species referenced in the Global Invasive Species Database and CABI.org are not to be used	YES	Species referenced in the Global Invasive Species Database and CABI.org. were not used in managed areas of the 4 estates.



Clause	Indicators	Comply Yes/No	Findings
Integrated Pest Management (IPM) techniques.	in managed areas, unless plans to prevent and monitor their spread are implemented.		
	7.1.3 There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with prior approval of government authorities.	YES	Lam Soon CU continued to use the Lam Soon policy of no open burning. As advocated, estate practised Zero burning thus no use of fire for pest control. In the 2019 and 2020 replants visited during the audit in the estates, it was evident that all palms were felled, shredded, windrowed and left to decompose. For pest and disease attack census has been carried out to monitor the threshold level of attacks before applying the chemicals such as rat baits and pheromone traps.
7.2 Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.	7.2.1 (C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritized.	YES	Lam Soon Estate only used pesticides that are officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision Pesticides Act 1974 (Act 149) (Section 53A); and in accordance with USECHH Regulations (2000). There was no evidence of 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. The chemical store and chemical list indicated All 4 estates had none of the chemicals. The use of paraquat was banned in all Lam Soon estate. Most pesticides used were class III & class IV.
	7.2.2 (C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.	YES	The Estate had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field cost books and in progress reports. LSP estate had documented programs for spraying pesticides and for rat baiting.
	7.2.3 (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.	YES	As part of the IPM plans, management of the estate had established nectariferous beneficial plants ( <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera sublata</i> ) nurseries for continuous planting in order to attract natural predators and thus to reduce use of insecticides. As mentioned in 7.1.1, during the visit it was observed that LSP estate had plants ready for planting in their Nurseries.
	7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.	YES	There was no prophylactic spraying has been used. For control bag worm damages. Management has used pheromone trap for control the damages and before applying rat baits management has conducted census (twice per month) before applying it.
	7.2.5 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, unless in exceptional circumstances, as	YES	Lam Soon Estate only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations 2000. From the review of the chemical register, it was noted that all pesticides used are of class III & class IV. The use of paraquat had been banned in Lam Soon estate since 2006. There was no evidence of pesticides that are categorized as World Health Organization Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions were used. Methamidophos was last used in 2017 for trunk injection to treat bagworm attack. Since 2019, Lam Soon had replaced the usage of Methamidophos to



Clause	Indicators	Comply Yes/No	Findings
	validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to:		Acephate a class III chemical. From records and interviews with workers, staff and estate assistants, found that they were trained, all precautions taken, and all legal requirements met. Signboards indicated 'AWAS Dilarang Masuk', block, dates of operation, type of operation and chemical were used.
	7.2.5a Judgment of the threat and verify why this is a major threat.	YES	As mentioned above in 7.2.5 of this check list and based on audit findings, there was no evidence of pesticides that are categorized as World Health Organization Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions and paraquat had been used. Hence, the need for a judgment of the threat assessment does not apply on the Lam Soon CU.
	7.2.5b Why there is no other alternative which can be used.	YES	As above.
	7.2.5c Which process was applied to verify why there is no other less hazardous alternative.	YES	As above.
	7.2.5d What is the process to limit the negative impacts of the application.	YES	As above.
	7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.	YES	As above.
	7.2.6 (C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.	YES	The estates and mill had a SOP for use of PPE during working. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issue and replacements records were verified by the auditors. It was also observed that PPE was used by workers working in the fields. The estate and mill had a SOP for handling of chemical/pesticide (LS/Safety/SOP-04). The employees involved in the chemical handling such as the storekeepers, sprayers, fertilizer and rat bait workers were trained in chemical handling. The trade and generic names of the chemicals were made known to them through the SDS training. Training on pesticides/chemical handling was carried out regularly by the CU, sighted latest training records.
	7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices.	YES	During Site visit, The chemical stores in Lam Soon Estate (KK and KL Div) were found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149), Sign board were following the guidelines Safety Data Sheet. Records of purchase, storage and use were maintained.

Clause	Indicators	Comply Yes/No	Findings
			<p>a) All store buildings were equipped with exhaust fans with the door secured.</p> <p>b) Only authorized personnel are assigned to handle the chemicals.</p> <p>c) All the chemicals were segregated in storage accordingly.</p> <p>d) Hazard signage followed as per SDS – thus previous NCR was satisfactory closed.</p> <p>Empty pesticides containers were triple rinsed, holes punched and stored separately in the scheduled wastes store. Thereafter disposal arrangement will follow accordingly as per procedures.</p>
	7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.	YES	At LSP Estate the scheduled wastes were stored not more than 180 days. This was evident from the inventory and disposal of scheduled wastes, which were carried out through the electronic system (eswiss).
	7.2.9 (C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.	YES	There was no aerial spraying has been practiced in the LSP Estate. <i>Neproliphis biserata</i> was maintained and encouraged to be planted in LSP CU. This can be seen in their continuous improvement plan. This was to suppress growth of noxious weeds and thus reduce the use of pesticides for selective weeding. Woody sprayings were carried out whenever necessary and only twice a year. Blanket spraying was not practiced in order to encourage soft grasses in inter row and frond stacking area.
	7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.	YES	Medical Surveillance has been carried out by DOSH registered personnel in June 2020, results from the assessment showed that all the employees were fit to handle chemical.
	7.2.11 (C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.	YES	LSP estate and mill complied with procedure and guidelines provided the Standard Operating Procedure adopted by the Organisation whereby no work with pesticides is given to pregnant or breast-feeding women. <i>Tidak dibenarkan pekerja wanita yang MENGANDUNG / MENYUSUKAN anak membuat kerja-kerja penyemburan</i> ). During site visits there was no breastfeeding women and underage of 18 workers involved in chemical applications.
7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially	7.3.1 A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.	YES	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. In the sampled estate and mill, the waste management program and plan seen incorporated with environmental impact aspect assessments and pollution prevention plan. The assessment seen effectively covers on matured maintenance, FFB collection, workshop, schedule waste / chemical /

Clause	Indicators	Comply Yes/No	Findings						
responsible manner.			fertilizer store and etc. Sampled the EFB collection from mill and the area/filed mulched.						
	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.	YES	At LSP CU domestic waste has been disposed through Majlis Daerah Lahad Datu, Bangkaruan, Jalan Silam land fill area.						
	7.3.3 The unit of certification does not use open fire for waste disposal.	YES	There was no evidence of fire has been used for waste disposal. All the waste has been disposed trough DOE collector (SW waste) and Majlis Daerah Lahad Datu Land fill area (domestic waste).						
7.4 Practices maintain soil fertility at, or where improve soil fertility to, a level that ensures optimal and sustained yield.	7.4.1 Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.	YES	Both KK & KL Estates continued to provide evidence that good agriculture practices, as contained in Standard Operating Procedures (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 (pruned fronds left to decompose in the fields) and EFB in replants and application in mature areas. The process of the fertilizer application follows a flow chart Fertilizer application, which was of upmost importance for maintenance of soil commencing from an agronomist visit for a leaf sampling to determine the level of nutrient therein. Thereafter the calculation will be made for an input of fertilizer to maintain/improve the nutrient at the desired level. Estate will use this input for the entire requirement in the field identified.						
	7.4.2 Periodic tissue and soil sampling is carried out to monitor and manage changes in soil fertility and plant health.	YES	The periodic tissue and soil sampling were carried out in the estate on 18-21/06/20 to monitor changes in nutrient status. The results formed the basis for the fertilizers input recommendation. The soil analysis provided the indication of soil health and monitors the changes in the organic carbon and total nitrogen. Soil samplings are made to detect the following analysis - PH, Carbon, Total N, P, K, Ca, Mg, Na. The soil sampling analysis by Applied Agriculture Resources Sdn Bhd was carried out to facilitate the 2020 fertilizer program.						
	7.4.3 A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.	YES	LSP Estate had a nutrient recycling strategy in place which included stacking pruned fronds in the respective fields to decompose, grass cutting harvesters paths and letting the cut mass to decompose in the field, EFB mulching and application of Solid POME. In addition, during replanting, palms were felled, chipped, windrowed and left to decompose. POME was applied in KK1.						
	7.4.4 Records of fertiliser inputs are maintained.	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 2020 was late due to MCO.						
7.5 Practices minimise and control erosion and degradation of soils.	7.5.1 (C) Maps identifying marginal and fragile soils, including steep terrain, are available.	YES	There were no fragile/marginal soils in LSP. The soils series as follows:						
			<table><tr><th>No</th><th>Estate</th><th>Soil series</th></tr><tr><td>1</td><td>KK</td><td>Dagat, Stom, Gol, Kumansi, Talisai, Kekura, Tok Yong, Lundang, Medang, Lating, Tepus</td></tr><tr><td>2</td><td>KL</td><td>Jempol, Stom, Gol, Kumansi, Kuah, Kekura, Tok Yong, Lundang, Buran, Lating</td></tr></table>	No	Estate	Soil series	1	KK	Dagat, Stom, Gol, Kumansi, Talisai, Kekura, Tok Yong, Lundang, Medang, Lating, Tepus
No	Estate	Soil series							
1	KK	Dagat, Stom, Gol, Kumansi, Talisai, Kekura, Tok Yong, Lundang, Medang, Lating, Tepus							
2	KL	Jempol, Stom, Gol, Kumansi, Kuah, Kekura, Tok Yong, Lundang, Buran, Lating							

Clause	Indicators	Comply Yes/No	Findings
	7.5.2 No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25°) larger than 25 Ha within the Unit of Certification.	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. The policy together with the SOPs to minimize soil erosion based on conservation terrace to reduce the speed of run-off water, ground cover management, biomass recycling, and terracing. Stacks of pruned fronds on the steeper slopes were sighted. This was to slowdown the speed of any runoff, which otherwise would cause a substantial loss in the soil organic matter.
	7.5.3 There is no new planting of oil palm on steep terrain.	YES	Lam Soon CU had a management strategy for planting on slopes to minimise and control erosion and degradation of soils. It was observed that there is no new planting of oil palm on steep terrain.
7.6 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	7.6.1 (C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.	YES	There were no marginal and fragile soils, this was evidence during site visits and report from soil survey <i>Param Agricultural Soil Surveys (M) Sdn Bhd</i> dated Feb 2017. Only 2% from the total area was a steep terrain.
	7.6.2 Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.	YES	Based on document review and site visits, there is no new extensive planting on marginal and fragile soils in Lam Soon CU
	7.6.3 Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.	YES	Soil survey and assessment report was conducted by Param Agriculture Soil Surveys (M) Sdn Bhd on February 2017. Topographic maps also was established during the soil survey assessment. The topographic information were provided and reviewed by the auditors.
7.7 No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.	7.7.1 (C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.	YES	Auditors have verified through checking the <a href="http://www.globalforestwatch.com">www.globalforestwatch.com</a> , Google Maps, Estate Maps and also through site visit to all four estates. Based on the audit findings, it has been confirmed that there were no new planting or new development of areas at Lam Soon CU
	7.7.2 Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE:	YES	It has been confirmed that Lam Soon CU did not have peat land. It is consistent with the new soils map provided by Param Agriculture Soil Surveys (M) Sdn Bhd. Hence, this requirement is not applicable.

Clause	Indicators	Comply Yes/No	Findings
	Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peat land Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).		
	7.7.3 (C) Subsidence of peat is monitored, documented and minimised.	YES	It has been confirmed that Lam Soon CU did not have peat land. It is consistent with the new soils map provided by Param Agriculture Soil Surveys (M) Sdn Bhd. Hence, this requirement is not applicable.
	7.7.4 (C) A documented water and ground cover management programme is in place.	YES	It has been confirmed that Lam Soon CU did not have peat land. It is consistent with the new soils map provided by Param Agriculture Soil Surveys (M) Sdn Bhd. Hence, this requirement is not applicable.
	7.7.5 (C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation. This is subject to transitional (5 years: 2019 to 2025) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial implementation period, company could submit other	YES	It has been confirmed that Lam Soon CU did not have peat land. It is consistent with the new soils map provided by Param Agriculture Soil Surveys (M) Sdn Bhd. Hence, this requirement is not applicable.

Clause	Indicators	Comply Yes/No	Findings
	alternate methodologies to be considered by RSPO for recognition.		
	7.7.6 (C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2018) and associated audit guidance.	YES	It has been confirmed that Lam Soon CU did not have peat land. It is consistent with the new soils map provided by Param Agriculture Soil Surveys (M) Sdn Bhd. Hence, this requirement is not applicable.
	7.7.7 (C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2018) and associated audit guidance.	YES	It has been confirmed that Lam Soon CU did not have peat land. It is consistent with the new soils map provided by Param Agriculture Soil Surveys (M) Sdn Bhd. Hence, this requirement is not applicable.
7.8 Practices maintain the quality and availability of surface and groundwater.	7.8.1 A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:	YES	The water management plans contain soil water abstraction, treatment, storage, monitoring, conservation, pollution prevention, wastewater treatment and discharge as well as domestic usage. Domestic usage was monitored using flow meters in Lam Soon CU. Domestic water analysis results showed no adverse quality. Water analysis, both raw and treated water, conducted one every 6 months and send the water sampling at accredited Laboratory Sdn. Bhd. Based on the result, water quality monitoring is generally within WHO at all monitoring points
	7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of		

Clause	Indicators	Comply Yes/No	Findings																		
	water used by communities.																				
	7.8.1b Workers have adequate access to clean water.																				
	7.8.2 (C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).	YES	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones has been verified at the Lam Soon Estate. Riparian buffer zones have been identified and demarcated. No chemicals and fertilizer application observed been used in their maintenance. In some area's <i>vetiver</i> grass had been planted along the river banks. Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the SOP Lam Soon. The buffer zones established are as following: <table><tr><td></td><td>River width</td><td>Buffer zone</td></tr><tr><td>1</td><td>&gt; 40 meters</td><td>50 meters</td></tr><tr><td>2</td><td>20 - 40 meters</td><td>40 meters</td></tr><tr><td>3</td><td>10 - 20 meters</td><td>20 meters</td></tr><tr><td>4</td><td>5 - 10 meters</td><td>10 meters</td></tr><tr><td>5</td><td>&lt; 5 meters</td><td>5 meters</td></tr></table>		River width	Buffer zone	1	> 40 meters	50 meters	2	20 - 40 meters	40 meters	3	10 - 20 meters	20 meters	4	5 - 10 meters	10 meters	5	< 5 meters	5 meters
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5	< 5 meters	5 meters																			
7.8.3 Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.	YES	Final discharge method – land irrigation. Analysis of the final discharge was carried out on monthly basis. Quarterly report was submitted to DOE. Latest report indicated that the results were within the regulatory limit.																			
7.8.4 Mill water use per tonne of FFB is monitored and recorded.	YES	Average for mill water used per tonne FFB was monitored by daily basis and recorded by monthly basis. Sighted average for year 2019 was 1.27 m³/ mt ffb. For year 2020 as per todate total water usage per mt ffb was 1.09 m³. Noted the high consumption of water in variation attributed to peak crop and mill cleaning during the monsoon months.																			
7.9 Efficiency of fossil fuel use and the use of renewable energy is optimised.	7.9.1 A plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented.	YES	A plan for improving the efficiency of the use of fossil fuels is in place incorporated into the Environmental Aspect and Impact activities report for 2020, identified in the following <ul style="list-style-type: none"><li>i) Environmental Aspect Identification Summary FY 2020 reviewed accordingly.</li><li>ii) Environmental Impact Evaluation Summary FY 2020 reviewed accordingly.</li><li>iii) Fossil fuel plan reduction 2020</li></ul>																		
7.10 Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and	7.10.1 (C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.	NO	GHG emission has been identified and assessed to the estate and mill through list of waste, EIA, pollution prevention plan, etc. for year 2019. CU calculated the emission through RSPO Palm GHG calculator version 4 (data as table below). However, CU has a problem to log in using new version calculator and not yet reported to RSPO. Thus <b>#major NCR RAR 01 2020</b> was raised with previous <b>NCR MZK 13 2019</b> remains open.																		

Clause	Indicators	Comply Yes/No	Findings																																	
monitored and new developments are designed to minimise GHG emissions.			<b>Summary of Net GHG Emissions (after submission to RSPO in Sept 2020)</b>																																	
			<table><tr><th>Emissions per Product</th><th>tCO2e/tProduct</th><th>Extraction</th><th>%</th></tr><tr><td>CPO</td><td>1.04</td><td>OER</td><td>22.9</td></tr><tr><td>PK</td><td>1.04</td><td>KER</td><td>4.55</td></tr></table>	Emissions per Product	tCO2e/tProduct	Extraction	%	CPO	1.04	OER	22.9	PK	1.04	KER	4.55																					
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			<table><tr><th>Land Use</th><th>ha</th></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>122</td></tr><tr><td>Total</td><td>5562</td></tr></table>	Land Use	ha	OP planted area	5562	OP planted on peat	0	Conservation (forested)	0	Conservation (non-forested)	122	Total	5562																					
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			<b>Palm Oil Mill Effluent (POME) Treatment</b>												
			<table><tr><td>Divert to compost</td><td>0%</td></tr><tr><td>Divert to anaerobic digestion</td><td>100%</td></tr></table>	Divert to compost	0%	Divert to anaerobic digestion	100%								
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7.10.2 (C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (guided by the RSPO GHG Assessment Procedure for New Development).															
YES	Auditors has verified through checking the <a href="http://www.globalforestwatch.com">www.globalforestwatch.com</a> , Google Maps, Estate Maps and also through site visit to the sampled estates areas.														
7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.															
YES	The Environmental Impact and Aspect Assessment and Pollution Prevention Plan was used to identify the GHG emissions. Some of the Greenhouse Gas emissions are 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.														
7.11 Fire is not used for preparing land and is prevented in the managed area.	7.11.1 (C) Land for new planting or replanting is not prepared by burning.	YES	Auditors has verified through checking the <a href="http://www.globalforestwatch.com">www.globalforestwatch.com</a> , Google Maps, Estate Maps and also through site visit there was no evidence burning practices has been used during replanting. Based on the observation during the audit, it is confirmed that there were no new planting or new development of areas at LSP CU.												
	7.11.2 The unit of certification establishes fire prevention and control measures for the areas	YES	Emergency response team has been established at LSP CU the teams has responsible for fire prevention and control. Among of equipment's was available for fire prevention such as boundary trenches, water pump, water tank lorry, and fire extinguisher.												

Clause	Indicators	Comply Yes/No	Findings
	under its direct management.		
	7.11.3 The unit of certification engages with adjacent stakeholders on fire prevention and control measures.	YES	During documents reviews and interview with nearby stakeholders' estate there were engagement has been made related to fire prevention and control measures. Management has briefing to nearby estates related to fire prevention and offer equipment's as per ERP – Kebakaran ladang.
7.12 Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.	7.12.1 (C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.	YES	No new land clearing since Nov 2015 available at Lam Soon CU, thus this Indicator was not Applicable.
	7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as follows:	YES	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. The HCV assessment had identified no HCV/Biodiversity found directly within the boundaries of any of the sites of Lam Soon CU, This, was because considering the Lam Soon Plantations CU are completely surrounded by other oil palm plantations. However, the management decide to maintain the Buffer Zone as their conservation Area.
	7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.		
	7.12.2b: Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.		
	7.12.4 (C) Where HCVs, HCS	NO	There was no RTE observed present in the CU in the assessment. The CU had a regular programmes

Clause	Indicators	Comply Yes/No	Findings
	forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).		to educate its employees pertaining to the protection of the RTE as well as the protection of buffer zone. The CU has conducted a regular patrol of HCV areas, access and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" were available. No use of chemicals observed been applied in the buffer zone as prohibited by the CU. However, it was found that the Plan was not developed without consultation with relevant stakeholders in adaptive to changes in HCVs Plan. And the result of monitoring also was not included. <b>Major NCR MZK 01 2020</b> has been raised to address this.
	7.12.5 Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.	YES	HCV Assessment has been done on 2017, but no rights of local communities have been identified in HCV areas. Thus this indicator was not applicable.
	7.12.6 All RTE species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place.	YES	In Lam Soon Estate the training programs for 2020 has included HCV training programme. HCV briefing were carried out during muster. Attendance lists were available. Lam Soon CU management will notify the relevant authorities immediately if any individual working for the company is found to capture, harm, collect or kill these species.

Clause	Indicators	Comply Yes/No	Findings
	Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.		
	7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.	YES	An action plan for year 2020 was made available at the Lam Soon Estate. However, the outcomes of monitoring were not included in the HCV report and NCR has been raised in 7.12.14. Lam Soon Estate has conducted two Monthly monitoring of their Buffer zone and Boundary. There is no RTE species found within the estates area.
	7.12.8 (C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.	YES	Not applicable since there is no new land clearing

#### 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	(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	For the time-bound plan, Lam Soon Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.
	(b)	Progress towards this plan shall be verified and reported on in subsequent annual surveillance	YES	Lam Soon Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and

failure to proceed with implementation of the plan, a major non-compliance shall be raised;		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;		Dara Lam Soon at Muadzam Pahang.
	(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 Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.
4.5.4 Requirements for uncertified management units:	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since 1 <sup>st</sup> January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	YES	Lam Soon Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.
	(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 Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.
	(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 Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.
	(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 Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.

	(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:		Lam Soon Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.
		<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>		Lam Soon Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.
		<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>		Lam Soon Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.
		<ul style="list-style-type: none"> <li>Desktop study e.g. web check on relevant complaints</li> </ul>		Lam Soon Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang.
		<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>		Lam Soon Cannery Private Limited has already certified all their units Such as Lam Soon CU at Lahad Datu and Dara Lam Soon at Muadzam Pahang
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	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 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.
<p>Note:</p> <p>1. For requirements 4.5.4 (a)-(d) above, the definition of major and minor NC is stated in the RSPO P&amp;C.</p> <p>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;</p>				

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.

#### Attachment 4

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

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
7.10.1 RAR 01 2020	Major	<p><b>Finding :</b> Palm GHG not publicly reported.</p> <p><b>Objective evidence :</b> LSP CU has a problem to log in using new version calculator and not yet reported to RSPO and auditor</p>	Registered with RSPO (GHG unit) and correct URL (web application) was used to redo the Palm GHG 2019 and submitted to auditor.	<p>Auditor received the evidence Palm GHG has been calculated and submitted to for review. And evidence result has been checked by the auditor and follow the RSPO guidelines.</p> <p><b>Status: Closed</b> The effectiveness of implementation will be verified during next audit</p>
7.12.4 MZK 01 2020	Major	<p><b>Finding :</b> HCV management plan have been not developed with participation of affected stakeholders</p> <p><b>Objective evidence :</b> It was found that the HCV integrated management plan at Lam Soon CU is not developed in consultation with relevant stakeholder in adaptive to changes in HCVs Plan. and Result of monitoring also was not included.</p>	<ul style="list-style-type: none"> <li>There are 3 feedback from the stakeholder reviewed.</li> <li>Discussion with the relevant stakeholder Jabatan Hidupan Liar Kota Kinabatangan was made on 8/9/2020 to discuss a few HCVs plan photo of discussion with the officer.</li> <li>LSP will be included into chat group of wildlife monitoring Elephant movement.</li> </ul>	<p>Auditor received the evidence letter has been sent to surrounding stakeholder affected and Government agency who are affected and also comment from the stakeholder. Auditor also received updated HCV Action Plan including comment from stakeholder.</p> <p><b>Status: Closed</b> The effectiveness of implementation will be verified during next audit</p>

**STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED**

<b>P &amp; C Indicator</b>	<b>Specification Major/Minor</b>	<b>Detail Non-conformances</b>	<b>Verification by Assessor</b>
2.1.1 MAR 01 2019	Major	<p>Finding: Factory and Machinery Act 1967 - Noise Exposure Regulations 1989 was not complied by Lam Soon POM.</p> <p>Objective evidence :</p> <p>Recommendation from a registered Occupational Health Doctor, Dr Ahmad Mansor Bin Osir from Klinik Mansor Sdn Bhd (JKKP NO. HQ/08/DOC/00/695) to be test on 2/3/2019 for the following worker i.e. passport no AT 961939 was not followed.</p>	<p>Audiometric test was carried out on 06/07/20 for 26 workers/staffs working in workstation such as boiler plant, engine room, press station, oil room, and kernel plant by a registered by an OHD Dr Chia Sia Cheng from Klinik Mabello (DOSH Reg NO. HQ/13/DOC/00/315). The result was 25 employees were normal hearing and 1 has hearing impairment and need to conduct repeat test. However, results audiometric test just received on 17/08/20. Management will send the workers on September 2020. Thus, previous NCR was satisfactory closed.</p> <p><b>Status: Closed</b></p>
4.6.6 MAR 02 2019	Major	<p>Finding: Storage of pesticides at KK &amp; KL Estate not according to recognized best practices.</p> <p>Objective evidence :</p> <p>During site visit at KK &amp; KL Estate chemical store, it was found that hazard signage for the following chemical i.e. Garlon, Triclopyr Butotyl and Glysium not followed Safety Data Sheet accordingly such as corrosive.</p>	<p>During Site visit, The chemical stores in Lam Soon Estate (KK and KL Div) were found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149), Sign board were following the guidelines Safety Data Sheet.</p> <p><b>Status: Closed</b></p>
4.7.5 MAR 03 2019	Minor	<p>Finding:</p> <ol style="list-style-type: none"> <li>1. First aid equipment i.e. emergency shower available at worksite but it was found not effective at Lam Soon POM, KK and KL Estate.</li> <li>2. No evidence of training conducted for first aid equipment i.e. first aid box at Lam Soon POM.</li> </ol> <p>Objective evidence :</p> <ol style="list-style-type: none"> <li>1. It was found that the emergency shower and eye wash at Lam Soon POM, KK and KL Estate doesn't have a spray pattern, the eye wash was not intersect each other and the water flown directly to the monsoon drain without chemical trap (Lam Soon POM).</li> </ol>	<p>The trained personnel for the First Aid were among the employees working in the mill on shift and also the estates staff/mandores. The first aid boxes were available at various points in the mill complex including laboratory, office, workshop, process control room etc. Similarly, the estates distributed the first aid box to the mandores and brought along to the field during operations. In addition, there are also first aid boxes kept in the office, store and workshops. During site visit at LSP Estate and LSP POM has used emergency shower as per recommend made by DOSH specs and all the water from emergency shower was channel to sump for used back.</p> <p><b>Status: Closed</b></p>



		2. During site visit at Lam Soon POM, none of the operator know function of ammonia solution in the first aid box and also no evidence of training conducted for first aid box.	
5.1.2 MZK 09 2019	Minor	Finding: The action Plan for Environment in order to mitigate negative effects was inadequate. Objective evidence : Environmental management plan was available but inadequate to mitigate negative effects due to no specific Target and objectives and Action Plan available was as same as Plan since 2017.	Significant environmental impact and action plan was derived from the Environmental Impact and Aspect Assessment & Pollution Prevention Plans 2020. Those activities evaluated as significant were then monitored using the management control and mitigation measure established for each activity where the significant impacts occurred. The management has periodically reviewed the implementation and effectiveness of the established program. <b>Status: Closed</b>
5.2.2 MZK 10 2019	Minor	Finding: HCV action plan was inadequate. Objective evidence : - HCV action plan does not describe appropriate measure to be taken in management of RTE sp. - Action Plan available was as same as Plan since 2017.	There was no RTE observed present in the CU in the assessment. The CU had a regular programmes to educate its employees pertaining to the protection of the RTE as well as the protection of buffer zone. The CU has conducted a regular patrol of HCV areas, access and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" were available. No use of chemicals observed been applied in the buffer zone as prohibited by the CU. In general, the action plan has been implemented accordingly. Detailed of action plan concerning HCV contained in the HCV management Plan dated 4 January 2020. <b>Status: Closed</b>
5.2.4 MZK 11 2019	Minor	Finding: Records of monitoring RTE was not available. Objective evidence : No record of monitoring RTE/Protected Species found in the Lam Soon Estate, even though it was highlighted in the Report.	Lam Soon Estate has conducted two Monthly monitoring of their Buffer zone and Boundary. The latest conduct was on Feb 2020, May 2020, Aug 2020 and etc. There is no RTE species found within the estates area. Noted the CU had continued to implement planned actions such as awareness to the staffs and public on enhancing biodiversity, posting of relevant information in the Lam Soon webpage and erection of signage at strategically locations. <b>Status: Closed</b>
5.4.1 MZK 12 2019	Minor	Finding: A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy was inadequate. Objective evidence : KK&KL Estate - The Plan and Monitoring of fossil fuel was inadequate due to no specific Target and objectives and Action Plan available was as same as Plan since 2017.	The plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented. Record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Fossil fuel usage reduction has been included under pollution prevention plan 2020. Among of action has been taken were: <ul style="list-style-type: none"> <li>▪ Proper vehicle maintenance scheduled must be followed (preventive maintenance)</li> <li>▪ Plan to route for crop evacuation or others estate practice to reduce the distance required.</li> <li>▪ Avoid over working to the machine to prevent damage and fatigue</li> </ul>

			<ul style="list-style-type: none"> <li>Practice safe driving, defensive driving and training on proper use on gears</li> <li>Avoid carrying excessive weight</li> <li>All florescent tube light to be exchanged with LED light</li> </ul> <b>Status: Closed</b>
5.6.2 MZK 13 2019	Major	<p>Finding: A plans to reduce or minimise pollutants and greenhouse gas (GHG) emissions was inadequate.</p> <p>Objective evidence : KL &amp; KK Estate - The plans to reduce or minimise pollutants and greenhouse gas (GHG) emissions was inadequate due to no specific Target and objectives and Action Plan available was as same as Plan since 2017.</p>	<p>GHG emission has been identified and assessed to the estate and mill through list of waste, EIA, pollution prevention plan, etc. for year 2019. CU calculated the emission through RSPO Palm GHG calculator version 4 (data as table below). However, CU has a problem to log in using new version calculator and not yet reported to RSPO and auditor. Thus <b>#major NCR RAR 02 2020</b> has been raised. (ACOP- submitted on 25/5/20). On the other hand, previous <b>NCR MZK 13 2019</b> still not closed.</p> <p><b>Status: Not Closed, and has been raised as Major in the new indicator.</b></p>
6.5.2 RZ 01 2019	Major	<p>Finding :</p> <p>a. Conditions of employment related to medical check-ups and treatment are not explained carefully to workers by management official.</p> <p>b. Procedures on vacation leave pay is not available in languages understood by workers not explained carefully to workers</p> <p>Objective evidence: During interviews with estate and mill workers, as well as mill and estate officials, it was found that:</p> <p>a. The Guideline on Medical Leave and Guideline on Medical Check-Ups and Treatment contained in Standard Working Procedure Clinic Doc No.LSPSB/LDU/SWP-22, effective date: 01/02/2019 have not been carefully explained to the workers by management official.</p> <p>b. The procedures related to entitlement, calculation and implementation of vacation leave pay are not available in languages understood by the workers, nor explained carefully to workers by management official.</p>	<p>The employment contracts signed between the Lam Soon CU management and their employees contain employment and payment terms and provisions covering contract duration, minimum age requirement, retirement age, place of work, job specifications, workers' obligations, employer's obligations, payment of foreign workers' levy by employer, salary payable, working hours and overtime, payment of passport and PLKS by workers, designated public holidays, workers' annual leave, medical expenses, sick leave, maternity leave and allowances, insurance scheme, EPF for local workers, rights to join union, salary deduction to be in accordance with the Sabah Labour Ordinance, mutual termination of contract, contract extension, etc. during interviewed with sampled workers in Estate and POM. The Guideline on Medical Leave and Guideline on Medical Check-Ups and Treatment contained in Standard Working Procedure Clinic Doc No.LSPSB/LDU/SWP-22 and procedures related to entitlement, calculation and implementation of vacation leave pay has been explained carefully to them by Assistant Manager and Manager during morning briefing and during renewing the contract.</p> <p><b>Status: Closed</b></p>
6.5.3 RZ 02 2019	Minor	<p>Finding :</p> <p>1. The Visiting Medical Officer (VMO) visits Klinik Lam Soon once a month, which does not comply with the requirements of Section 19(3) Minimum Standards of Housing and Amenities Act 1990.</p> <p>2. Milk was not provided at the creche as required under Section 10(3) Minimum Standards of Housing and Amenities Act 1990.</p> <p>3. Drainage system behind mill housing was clogged.</p>	<p>Records also show that linesite inspections are being carried out at least once a fortnight by the Health Assistants sometimes together with the Visiting Medical Officer in accordance with the Workers' Minimum Standard of Housing and Amenities Act 1990 (Amended 2019). A visiting medical officer comes and visits the clinics once a fortnight to see patients and supervise the work of the Health Assistant. Assessor also verify the creche and found that Milk already has been provided by the management to the creche, General maintenance, perimeter drains at Mill housing already repaired.</p> <p><b>Status: Closed</b></p>

		<p>4. General maintenance of the mill houses and mill premises were not carried out.</p> <p>Objective evidence:</p> <p>1. VMO visits to the Klinik Lam Soon were carried out on a monthly basis i.e. on 26 January 2019, 16 February 2019, 16 March 2019, 24 April 2019.</p> <p>2. No evidence that milk was provided at KK Creche.</p> <p>3. Perimeter drains behind the Mill housing was found to have rubbish and clogged, which is contrary to Section 23(1) Minimum Standards of Housing and Amenities Act 1990.</p> <p>4. General maintenance was not carried out as evidenced by dirty toilet at the mill, broken rain gutter, broken window and door frames at the housing, which is contrary to Section 23(1) Minimum Standards of Housing and Amenities Act 1990.</p>	
Supply Chain 5.3.2 MZK 01 2019	Major	<p>Finding: Internal audit conducted was not conforming to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>Objective evidence :</p> <p>Internal audit carried out on 18/4/19 – 25/4/19 was not sufficient in addressing the requirements of RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. No evidence of auditor competency, evidence show in the Internal Audit report was not sufficient to maintain the standard requirements, internal audit checklist was not carried out for each indicator and the Audit Plan was not available.</p>	<p>As describe under para SOP on Supply Chain dated 22 May 2019, which is follow the RSPO Supply Chain Certification Standard Revision 2017 requirements.</p> <p>Audit report has also been established. The audit was conducted against the RSPO Supply Chain Certification Standard Revision 2017 requirements.</p> <p><b>Status: Closed</b></p>
Supply Chain 5.4.2 MZK 02 2019	Major	<p>Finding: There is no mechanism in place for handling non-conforming material and/or documents.</p> <p>Objective evidence :</p> <p>Sighted during the audit at Lam Soon POM there is no Mechanism in place for handling non-conforming material and/or documents available or established.</p>	<p>LSPOM had continued to implement the procedures it had on receiving and processing of RSPO certified and non- certified FFBs. (Refer para. Production and Storage – Plant &amp; Storage Tanks (Critical Control Point)) it has described how LSPOM manages the FFB from certified source.</p> <p><b>Status: Closed</b></p>
Supply chain 5.8.2 MZK 03 2019	Major	<p>Finding: Training was not provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system.</p> <p>Objective evidence :</p> <p>Sighted That training was not provided by the organization for personnel carrying out the tasks critical such as Outsourced contractor (Transporter Driver).</p>	<p>Appropriate training for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS) has been conducted on 18/8/20 attended by 6 person including PIC, Clerk, Assistant Engineer, Staff, Weighbridge Operator and Attendance list &amp; photograph was seen and 21/8/20 for transporter contractor.</p> <p><b>Status: Closed</b></p>
Supply chain 5.11.1 MZK 04 2019	Major	<p>Finding: Non-compliance against requirement above.</p> <p>Objective evidence :</p> <p>The management was not understand and know regarding requirement of RSPO rules on communications and claims and also</p>	<p>Relevant information on product claim (including applicable Supply Chain model and certificate number) being correctly indicated in the relevant outgoing paperwork/Lam Soon Palm Oil Mill SOP on Supply Chain Thus Past <b>NCR MZK 04 2019</b> has been successfully closed.</p>

		it was not highlighted in the SOP for example, trade of CPO and PK, ACOP.	<b>Status: Closed</b>
Supply chain 5.12.1 MZK 05 2019	Major	Finding: The documented procedures for collecting and resolving stakeholder complaints was not specific for Supply Chain requirement Objective evidence : The management has Grievances Process procedure & Stakeholder Requests & Responses. However, it was not meant for was not specific for collecting and resolving stakeholder complaints for Supply Chain requirement.	The new indicator has been excluded this indicator. However SOP Supply chain has included the complaints and Grievances. <b>Status: Closed</b>
Supply chain 5.13.2 MZK 06 2019	Major	Finding: The management review was not comprehensive. Objective evidence : Sighted the management review has been conducted in dated 8/5/19, However, it was found that the input to management review was not include Following: customer feedback, status of preventive actions and corrective actions. Changes that could affect the management system was not clear.	Documented procedure has defined management review will be conducted once a year Management review meeting has been conducted on dated 16/1/20 <ul style="list-style-type: none"> <li>Internal audit – 0 NCR</li> <li>Customer feedback – data analysis show result from customer survey (i.e. RSPO-CSPO related to meeting the contract volume, timely delivery, dispatch documentation) result achieved.</li> <li>Previous meeting – was highlighted</li> <li>Changes – There is no significant changes.</li> <li>Recommendation for improvement – improve the established system</li> </ul> <b>Status: Closed</b>
Supply Chain 5.13.3 MZK 07 2019	Major	Finding: The management review was not comprehensive Objective evidence : Sighted the management review has been conducted in dated 8/5/19, However, it was found that the output management review was not include Following: Improvement of the effectiveness of the management system and its processes and Resource needs.	- Documented procedure has defined management review will be conducted once a year Management review meeting has been conducted on dated 16/1/20 <ul style="list-style-type: none"> <li>Internal audit – 0 NCR</li> <li>Customer feedback – data analysis show result from customer survey (i.e. RSPO-CSPO related to meeting the contract volume, timely delivery, dispatch documentation) result achieved.</li> <li>Previous meeting – was highlighted</li> <li>Changes – There is no significant changes.</li> <li>Recommendation for improvement – improve the established system</li> </ul> <b>Status: Closed</b>
Supply Chain D.4.2 MZK 08 2019	Major	Finding: There is projected overproduction of certified tonnage. Objective evidence : Sighted that overproduction CPO IP for period June 2018 – May 2019 and Lam Soon POM yet to inform the CB and apply extension to the RSPO.	There is overproduction at mill, However, Sighted also extension has been made on 18 April 2020 for 24,769.96 mt of CPO and 4,753.21mt and PK. <b>Status: Closed</b>

**Lam Soon Cannery Private Limited Time Bound Plan on RSPO Certification.**

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