

IOI CORPORATION BERHAD

RSPO Membership No: 2-0002-04-000-00

PLANTATION MANAGEMENT UNIT

Mayvin Grouping

Sandakan, Sabah, Malaysia



Valued Quality. Delivered.

Assessment Report

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(188296-W)

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Mayvin Grouping: ASA-03 (2nd Cycle)

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ANNUAL SURVEILLANCE ASSESSMENT REPORT ON RSPO CERTIFICATION

PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

RSPO Membership No: 2-0002-04-000-00

PLANTATION MANAGEMENT UNIT

Mayvin Grouping

Sandakan, Sabah, Malaysia

Certificate No:

Original Start date:

Expiry date:

RSPO 926888

22 Dec 2015

21 Dec 2020

Assessment Type

Re-Certification

Annual Surveillance Assessment (ASA-01)

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

Assessment Dates

26 - 30 Oct 2015

17 - 20 Oct 2016

09 - 12 Oct 2017

08 - 12 Oct 2018

Intertek Certification International Sdn Bhd

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This **Annual Surveillance Assessment (ASA-03)** was conducted on the Plantation Management Unit (PMU) Mayvin Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from **08–12 Oct 2018**, to assess the organization's operations of the mill and its supply bases are in compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Local Indicators (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for Palm Oil Mill.

The plantation management unit (PMU) or management unit is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Each PMU consists of one mill and its supply bases which are made up of estates owned by IOI Corporation Berhad (IOI).

1.2 Location (address, GPS and map) of palm oil mill and estates

The Mayvin Grouping consists of one (1) palm oil mill, namely Mayvin Palm Oil Mill and five (5) estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The 5 estates are all IOI owned estates. The location maps are provided in **Appendix C**.

Table 1: Address of Palm Oil Mill, Estates and GPS Location

Name	Address	GPS Reference	
		Latitude	Longitude
Mayvin Palm Oil Mill: Mayvin Incorporated Sdn Bhd Capacity (60 MT/hr.)	Mayvin Palm Oil Mill Telupid, 16km Off Sandakan/Telupid Road at 110 km, WDT No 164, 90009 Sandakan, Sabah, Malaysia	5°33.329' N	117°13.532' E
Mayvin 1 Estate	Mayvin 1 Estate, Sandakan/ Telupid Road, WDT No 164, 90009 Sandakan, Sabah, Malaysia	5°34.910' N	117°13.277' E
Mayvin 2 Estate	Mayvin 2 Estate, Sandakan/ Telupid Road, WDT No 164, 90009 Sandakan, Sabah, Malaysia	5°33.522' N	117°13.377' E
Mayvin 5 Estate	Mayvin 5 Estate, Sandakan/ Telupid Road, WDT No 164, 90009 Sandakan, Sabah, Malaysia	5°28.577' N	117°20.408' E
Mayvin 6 Estate	Mayvin 6 Estate, Sandakan/ Telupid Road, WDT No 164, 90009 Sandakan, Sabah, Malaysia	5°28.656' N	117°22.581' E
Tangkalap Estate	Tangkalap Estate, Sandakan/ Telupid Road, WDT No 164, 90009 Sandakan, Sabah, Malaysia	5°30.162' N	117°15.154' E

1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Mayvin Grouping PMU are from the abovementioned 5 estates. For FY Jul 2016 / Jun 2017, there was no FFB diverted from estates under certified Pamol Sabah Grouping of IOI Corporation Berhad. Verification done on site during the assessment confirmed that there were no outgrowers / independent suppliers / smallholders involved in the supply of FFB to the said PMU.

Details of the planted hectareage for the FFB supply for Mayvin Grouping are as shown in Table 2 below.

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Table 2: Estate Area Summary

Estate	Area Summary (ha) – Previous (Year 2017)		Area Summary (ha) – Current (Year 2018)	
	Certified Area	Planted Area	Certified Area	Planted Area
Mayvin 1 Estate	1,610	1,509	1,610	1,489
Mayvin 2 Estate	1,812.81	1,647	1,812.81	1,608
Mayvin 5 Estate	1,765.18	1,602	1,765.18	1,586
Mayvin 6 Estate	1,836.82	1,702	1,836.82	1,683
Tangkalap Estate	2,277.45	2,060	2,277.45	2,060
Total:	9,302.26	8,520	9,302.26	8,426

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas and the identified Conservation areas including HCV areas marked out at the selected estates.
2. The estates sampled for this Assessment have been selected based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.
3. There are reductions in the planted areas for Mayvin 1, Mayvin 2 Mayvin 5, and Mayvin 6 Estates due to adjustments after land survey during their replanting.

1.4 Summary of plantings and cycle

The 5 estates are currently in the 1st and 2nd cycle of planting for the oil palms and the age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (Current Year: 2018)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) - Planted
Mayvin 1 Estate	1994, 1995	1 st Cycle	852	0	852
	2014, 2015, 2016, 2018	2 nd Cycle	437	200	637
		s-total	1,289		
Mayvin 2 Estate	1995, 1996	1 st Cycle	800	0	800
	2015,2016, 2017, 2018	2 nd Cycle	194	614	808
		s-total	994		
Mayvin 5 Estate	1996, 1997	1 st Cycle	1,586	0	1,586
	-	-	-	-	-
		s-total	1,586		
Mayvin 6 Estate	1997, 1998	1 st Cycle	1,683	0	1,683
	-	-	-	-	-

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		s-total	1,683		
Tangkulap Estate	1994	1 st Cycle	239	0	239
	2013, 2014, 2015, 2017	2 nd Cycle	1,487	334	1,821
		s-total	1,726		
		G-Total	7,278	1,148	8,426

1.5 Summary of Land Use, Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in Mayvin Grouping during this assessment is as shown in Table 4 below:

Table 4: Statement of Land Use (including Conservation and HCV Areas)

#	Statement of Land Use (Ha)	Hectarage – Ha (Current year: 2018)
1	Oil Palm - Planted Area (ha)	8,426
	- OP Mature (Production)	7,278
	- OP Immature (Non-Production)	1,148
	- OP Planted on Peat	0
	- Other crop such as Rubber etc.	0
2	Conservation Area (ha)	477.76
	- Conservation (forested)	6.43
	- Conservation (non-forested)	471.33
	Note: Conservation areas comprise of unplanted steep / hilly and swampy and other unplatable areas.	
3	HCV Area (ha)	
	Areas which have HCV 1 to 6 as defined under HCV RN 2013	0

1.6 Other certifications held and Use of RSPO Trademarks

Currently, the other certification held by IOI Mayvin Grouping PMU is the ISCC certification which is valid. The RSPO's trademarks and logo are not used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of commitment agreeing to adhere to the latest "RSPO Rules on Communications & Claims" during the assessment.

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1.7 Organizational information / Contact Person

At Head Office:

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IOI Corporation Berhad
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Fax: 603-89478988
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At Mayvin Grouping - PMU:

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General Manager,
IOI Plantation Services Sdn Bhd,
Sandakan Regional Office,
Mile 45, Jalan Sandakan/Telupid,
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1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at Mayvin Grouping based on the actual tonnages is as in Table 5 below:

**Table 5: Tonnages Verified during Assessment
(Actual: Jan – Sept 2018 + Projected: Oct – Dec 2018)**

#	Estate /Supplier	FFB Processed (MT)	Main Processing Palm Oil Mill	Certification By CB
1	Mayvin 1 Estate	29,411.37	Mayvin Palm Oil Mill	Intertek
2	Mayvin 2 Estate	22,959.76	Mayvin Palm Oil Mill	Intertek
3	Mayvin 5 Estate	45,345.26	Mayvin Palm Oil Mill	Intertek
4	Mayvin 6 Estate	47,514.15	Mayvin Palm Oil Mill	Intertek
5	Tangkalap Estate	36,714.28	Mayvin Palm Oil Mill	Intertek
	a) Sub-total by PMU estates:	181,944.82		
	External under Parent group (certified):			
1	Rungus Estate	101.40	Pamol Palm Oil Mill	Intertek
2	Tindakon Estate	96.24	Pamol Palm Oil Mill	Intertek
3	Meliau Estate	1,329.06	Pamol Palm Oil Mill	Intertek
4	Nangoh Estate	657.92	Pamol Palm Oil Mill	Intertek
5	Labuk Estate	1,390.46	Ladang Sabah Palm Oil Mill	BSI
6	Bimbingan 1 Estate	383.88	Ladang Sabah Palm Oil Mill	BSI
7	Bimbingan 2 Estate	406.99	Ladang Sabah Palm Oil Mill	BSI
	b) Sub-Total other certified estates:	4,365.95		
	External / Other supplies (non-certified)	0		
	Grand total:	186,310.77		

Note:

FFB is presently received from the Rungus, Tindakon, Meliau, Nangoh estates (under Pamol Sabah POM Grouping) and Labuk, Bimbingan 1 and Bimbingan 2 estates (under Ladang Sabah POM grouping) which are RSPO certified.

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1.8.2 Total annual volumes / tonnages of FFB supplied from the supply base to Mayvin Grouping POM during the previous, current and projected period are as follows:

Table 6: Annual Tonnages of FFB (3 year Monitoring)

Estate / Supplier	FFB Processed in Year 2017 - Actual (Jan - Dec 2017)		FFB Processed in Year 2018 - Actual & Projected (Jan – Dec 2018)		FFB for processing in Year 2019 - Projected (Jan – Dec 2019)	
	MT	%	MT	%	MT	%
Grouping estates: (certified)	166,062.83	98.49	181,944.82	97.66	185,517	100
External Suppliers: (certified)	2,553.91	1.51	4,365.95	2.34	0	0
External Suppliers: (non-certified)	0	0	0	0	0	0
Total	168,616.74	100%	186,310.77	100%	185,517	100%
SCCS Model for POM	IP		IP		IP	

1.8.3 The annual certified tonnages of FFB, CPO and PK production by the PMU Grouping assessed during this current assessment and projected for next year are detailed as follows:

Table 7: Annual Certified Tonnages – FFB, CPO & PK

POM	Year 2017 - Actual (Jan - Dec 2017)		Year 2018 - Actual & Projected (Jan – Dec 2018)		Year 2019 - Projected (Jan – Dec 2019)	
Total Certified FFB Processed (MT)	168,616.74		186,310.77		185,517	
Total Certified CPO Production (MT)	36,519.49	OER: 21.66%	40,296.11	OER: 21.63%	40,812	OER: 22.00%
Total Certified PK Production (MT)	8,816.40	KER: 5.23%	9,688.71	KER: 5.20%	9,740	KER: 5.25%
SCCS Model for POM	IP		IP		IP	

The POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill. It is verified the POM has procedures for the **'Identity Preserved – IP'** model in accordance with the RSPO Supply Chain Certification Standards (SCCS) requirements. Verified activities and checked items for the **SCCS of the POM are reported in section 3.1.1.**

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1.9 Time Bound Plan and Multiple Management Units

The IOI Plantations Group is a member of RSPO since 2004 and has been taking an active role in support of the RSPO certification.

Todate IOI Group manages a total of 19 Plantation Management Units (PMU) which comprise 15 palm oil mills and over 90 oil palm estates throughout Malaysia and Indonesia. Currently, 14 of its PMUs have been certified with another 5 managed units still 'non-certified'.

IOI Group had reviewed their Time Bound Plan (TBP) from time to time with progressive declarations on new acquisitions of land for oil palm plantations since 2009 and recent years which have encountered operational issues at Sarawak, Malaysia and Kalimantan, Indonesia as stated under the updated Time Bound Plan.

Details of the updated Time Bound Plan as submitted by IOI and reviewed by Intertek are shown in **Appendix E**.

On overall, IOI Group had progressively implemented their TBP and its commitment to complete RSPO certifications on all its 'non-certified' units, targeted by 2020.

Verification of requirements for Uncertified Management Units:

RSPO CS (2017) Clause 4.5.4		
(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 January 1st 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;		
Requirements	Findings and Objective Evidence	Compliance
(a) <ul style="list-style-type: none"> • Is there any replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3 	<p>Updates on the RSPO CP Complaints case tracking was referred to on issues related to this on IOI's uncertified units prior to and during each audit.</p> <p>Verified that incidences of HCV clearance were reported at the IOI's 3 uncertified units at Kalimantan, Indonesia namely PT BSS, PT SKS and PT BNS since year 2010.</p> <p>Another 1 unit namely PT KPAM at Kalimantan, is still at the stages of final NPP verification.</p> <p>Reports on the NPP progress made to resolve the issues at the said units were checked and monitored till latest update made available on: Refer to Weblink: https://askrspo.force.com/Complaint/s/case/50090000028Erz8AAC/detail</p> <p>Monitoring details and updates are verified. Refer to: Appendix F.</p> <p>As at this current assessment, there has been no other incidences of any replacement of primary forest at any other area under the IOI group.</p>	Complied
<ul style="list-style-type: none"> • Is there any new plantings since January 1st 2010 and did the new plantings comply with the RSPO New Planting Procedure (NPP) 	<p>The new plantings since 1 Jan 2010 at were reported as per the IOI submitted TBP (updated in Oct 2018). Refer to: Appendix E</p> <p>Based on sources of publicly available at RSPO and IOI websites, and feedback from stakeholder consultations, it is verified that the 3 uncertified units identified (where new plantings occurred) have been making progress to comply with the RSPO NPP (2015).</p>	Complied

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	<p>Verified that progress on actions taken include the following:</p> <p>In July 2018, IOI had introduced new Peatland Protection and Management Policy which detailed their effort towards protection, conservation and management of peatlands.</p> <p>In August 2018 IOI and NGO-Aidenvironment, had finalised the design of the South Ketapang Landscape Initiative. The initiative addresses the most common and critical challenges facing the South Ketapang landscape such as peatland management and rehabilitation, biodiversity conservation, flood and fire prevention, and community livelihood development.</p> <p>As at this current assessment, there has been no recent new or additional new plantings by the IOI group.</p>	
<ul style="list-style-type: none"> Was the new planting development verified by an RSPO accredited CB; 	<p>At the 3 uncertified units at Kalimantan undergoing the NPP process, the status of appointment are as follows: At PT SKS, CB-BSI, Indonesia was appointed by IOI group. As for the other 2 uncertified units i.e. PT BNS & BSS, no appointment of CB made yet.</p> <p>The progress of the NPP process for said 3 units, is being closely monitored by the RSPO Complaints Panel (CP) It is noted that IOI had engaged HCV experts and NGOs such as from Proforest, Aidenvironment and Global Environmental Centre for the field verifications of action plans made.</p> <p>Recommendations by the RSPO CP via letter of 12 July 2018 supports the IOI's Group commitment and efforts to move towards full certification of the said units. As at 26 Sept 2018, further progress on above is transferred from RSPO CP to the RSPO Investigation and Monitoring unit (IMU).</p> <p>Refer to: Appendix E</p>	
<p>(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;</p>		
<p>(b)</p> <ul style="list-style-type: none"> Are there any existing Land conflicts and is it 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; 	<p>Updates on the RSPO CP Complaints case tracking was referred to on issues related to this on IOI's uncertified units prior to and during each audit.</p> <p>Verified that incidence the Land conflict reported at the IOI's uncertified unit i.e. IOI Pelita Plantations Sdn Bhd at Miri, Sarawak, East Malaysia (complainant: Long Teran Kanan community) since year 2010 has been progressively undergoing the RSPO Dispute Settlement process.</p> <p>Verified that progress made todate includes: On 12 September 2018, IOI published an update on facilitation and capacity building for the benefit of community leaders which was attended by local NGOs and the Lead Facilitator, Dr. Ramy Bulan.</p> <p>As of 30 September, 6 out of 9 communities have given their consent for the Resolution process to move forward. The remaining 3 communities had requested for more time to</p>	<p>Complied</p>

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	<p>seek advice from their leaders prior to their endorsement on the draft Resolution Plan.</p> <p>Verified that the previous existing land conflicts were being resolved through a mutually agreed process.</p> <p>Presently, there are no recent land conflicts at the MMUs.</p>	
<p>(c) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;</p>		
<p>(c)</p> <ul style="list-style-type: none"> Are there any existing Labour disputes and is it being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3; 	<p>As at this current assessment, there has been no publicly known or existing Labour disputes at the uncertified units under the IOI group.</p>	Complied
<p>(d) Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;</p>		
<p>(d)</p> <ul style="list-style-type: none"> Are there any Legal non-compliance and is it being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; 	<p>It is noted that IOI group is aware of the Legal compliances needed at the uncertified units and progress is being made at various stages to address the related laws and regulations at those uncertified units at Kalimantan, Indonesia.</p> <p>The process of resolving the previous incidences of legal non-compliances were verified to being addressed through measures consistent with the RSPO requirements.</p> <p>The progress made on above will further verified in the next audit. Refer to: Appendix E</p>	Complied
<ul style="list-style-type: none"> Has the organisation conducted an Internal Audit on the above (a) to (d)? Has the evidence been submitted for verification? 	<p>Internal audit report dated 7 Sept 2018 had covered the requirements, conducted by the Sustainable Palm Oil (SPO) Dept. The report was available and submitted for verification.</p> <p>Verified that IOI Sustainability reports were available as further evidences.</p> <p>This was verified via:</p> <ol style="list-style-type: none"> IOI Sustainability Implementation Plan (Quarter 3) and Sustainability Progress report of 30 October 2018 made available at weblink: <p>https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/Overall%20SIP_Q3%202018.pdf https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/QSU%202018%20Q3.pdf</p>	Complied
<ul style="list-style-type: none"> Has a positive assurance statement been produced based on the internal audit and other supporting assessments results? 	<p>Overall a positive assurance statement is made at the conclusion of the Internal audit and Management reviews made at the IOI HQ at Putrajaya.</p> <p>This was verified via: 1) IOI Sustainability Implementation Plan (Quarter 3) and 2) Sustainability Progress report of 30 October 2018 made available at weblink below:</p> <p>https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/Overall%20SIP_Q3%202018.pdf https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/QSU%202018%20Q3.pdf</p>	Complied

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(e) Are the evidences provided in 4.5.4 (a)-(d) adequate?	Verified that supporting evidences were adequately provided. Refer to findings on (a) to (d) above.	Complied
(f) Are the evidences provided in support of the Positive Assurance statement adequate?	Verified that evidences provided as per the above, were found to be adequate, in support of the positive assurance statements made by the IOI Group.	Complied
(g) Has the targeted stakeholder consultation, including consultation with the relevant NGO's carried out revealed any negative feedback?	Targeted stakeholder consultations conducted and feedbacks received was verified with RSPO and the reports produced by the relevant NGOs on IOI Group. All negative feedbacks on IOI Group were considered and it is verified that the process of addressing those feedbacks were in place and being implemented.	Complied
(h) Has desktop study e.g. web check done revealed complaints which were not addressed?	Desktop study conducted did not reveal any recent negative feedback which were not being addressed by the IOI Group. Progress on past complaints as validated by RSPO CP was found to be progressively resolved. Evidences of information and updates were available and evaluated. Refer to Appendix E & F.	Complied
(i) Is further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements at the uncertified units, needed to done?	Based on evaluated findings made under part (a) to (h), no additional stakeholder consultation or field inspection is considered necessary at the said uncertified units at present. The progress of monitoring done and information publicly available by stakeholders including NGOs / Complainants on the existing issues at the said uncertified units are verified to be adequately monitored and being addressed by the IOI Group.	Complied
(j) • Is there any non-compliance against a major indicator in the non-certified management unit identified? • Is the identified major NC being actively addressed? • Can the current assessment proceed to a successful conclusion?	Based on above findings made under part (a) to (j), at the said uncertified units, the existing noncompliance issues were noted to be actively addressed with progress reports made available publicly. Further updates, clarification and confirmation was also directly sought with RSPO on the status and progress of addressing the NCs by the IOI Group. On the basis of no outright objections received and all the relevant updates being available for evaluation, it is verified that the current assessment at this PMU can be proceeded.	Complied
(k) Is there failure to address any outstanding non-compliances within uncertified unit(s) regarding 4.5.4 (a) – (d) which may lead to certificate suspension(s) to the certified unit(s)?	Since the previous suspension and lifting of suspension on the IOI Group certifications, there has been no evidence to suggest such failure at the uncertified units which may affect this PMU unit as at the time of this current assessment.	Complied

Based on the evaluation done, the IOI Group was able to demonstrate commitment and provide positive assurance statements on its commitment to continued compliance with the RSPO P&C Certifications Systems (Jun 2017) Clause 4.5 (Minimum requirements for multiple management units) for all its certified and non-certified units.

Intertek had also referred to the RSPO's Complaints website for the tracking of issues and the latest updates available on cases of legitimate complaints which may be filed against the IOI Group and also IOI's statements of response and actions currently being undertaken to comply with their Sustainability commitments which are indicated in **Appendix F.**

The publicly available updates of announcements on the progress of formal complaints as documented by RSPO and responses made by IOI Group are continually reviewed by Intertek to ensure that all issues as formally lodged

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and recorded against the IOI Group units has been duly considered, evaluated and risk assessed prior to conducting the continued certification assessments.

1.10 Abbreviations Used

CB	Certification Body	IUCN	International Union for Conservation of Nature
CHRA	Chemical Health & Risk Assessment	KER	Kernel Extraction Rate
CPO	Crude Palm Oil	LTA	Lost Time Accidents
CSDS	Chemical Safety Data Sheets	MSDS	Material Safety Data Sheets
CSPO	Certified Sustainable Palm Oil	MTCS	Malaysia Timber Certification Scheme
CSPK	Certified Sustainable Palm Kernel	NCR	Non-Conformance Report
EFB	Empty Fruit Bunch	NGO	Non-Government Organization
EHS	Environmental Health & Safety	OER	Oil Extraction Rate
EIA	Environmental Impact Assessment	OHS	Occupational Health & Safety
ETP	Effluent Treatment Plant	PEFC	Programme for the Endorsement of Forest Certification
FFB	Fresh Fruit Bunch	PK	Palm Kernel
GAP	Good Agriculture Practice	PMU	Plantation Management Unit
HCV	High Conservation Values	POM	Palm Oil Mill
Intertek	Intertek Certification International Sdn Bhd	POME	Palm Oil Mill Effluent
IOI	IOI Corporation Berhad	PPE	Personal Protective Equipment
IPM	Integrated Pest Management	SCCS	Supply Chain Certification Standard
ISCC	International Sustainability & Carbon Certification	SOP	Standard Operating Procedure

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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 07 Sep 2018, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on the Mayvin Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 08 to 12 Oct 2018, the Assessment team of Intertek conducted the Assessment in which **4 out of the 5 estates of Mayvin Grouping, namely Mayvin 1, Mayvin 2, Mayvin 5 and Tangkulap Estates** including the Palm Oil Mill were assessed for compliance against the RSPO requirements.

The number of estates sampled was based on the Sampling methodology provided under the RSPO Certifications Systems for Principles & Criteria (Jun 2017) i.e. minimum sample of X estates = $(0.8\sqrt{Y}) \times Z$, where Y is the number of estates and Z is the multiplier as defined by the risk assessment. The Z multiplier value was determined as High risk for this PMU considering the geographical location and distance of the estates, complexity of the labour force, landscape setting and presence of HCV or peat, complexity of supply sheds, number of communities and known conflicts, legality etc. Additionally the estates selection was made based on their potential risks on environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and HCV areas

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

Mayvin Grouping POM was also assessed against the requirements for the Identity Preserved (IP) Module as specified in RSPO Supply Chain Certification Standard for CPO mill. This part of the assessment covered the verification of implementation of documented procedures and availability of records to demonstrate compliance against all the elements for IP Module requirements. These include documented procedure, purchasing and goods in, record keeping, sales and goods out, processing, monitoring and traceability of the CSPO and CSPK quantities, training for staff and claims.

The details of the Assessment Plan (actual on-site) are provided in **Appendix B**.

After completion of the on-site field assessment, Intertek also performed the evaluation of conformity against the RSPO Certification System requirements for CB. The assessment report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Reviewer/Panel (and an External Peer Review in the case of an Initial Assessment or Re-certification Assessment) prior to the approval of this report and decision on continued certification by Intertek.

2.2 Date of next scheduled visit

The next scheduled visit will be the next Annual Surveillance Assessment which will be carried out within a 12-month period of the certificate anniversary date.

2.3 Qualifications of the Lead Assessor and Assessment Team

Competency details of the Lead Assessor and Assessment Team are given in **Appendix A**.

2.4 Certification Body

Intertek Certification International Sdn Bhd is part of the Intertek Group, which is a worldwide technical services organization dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO SCC, ISCC, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of Custody certification in applicable industry sectors including the agricultural and forestry sectors. Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide, and is available globally offering certification across a wide range of industries.

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2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming assessment through the websites of RSPO, IOI and Intertek. E-mails were sent to applicable stakeholders including government agencies, NGOs and local communities. E-mails and telephone enquiries were made prior to the actual assessment and stakeholder's response and feedback received were followed up accordingly.

During the assessment, stakeholders were interviewed and their feedbacks were recorded. Among the stakeholders consulted were workers, trade union leaders, women representatives; local community leaders, representatives of government departments / agencies and NGOs, fertilizer suppliers and contractors.

Details on stakeholders' feedback, PMU response and Intertek verification / comments are provided in **section 3.3**.

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

1. Department of Lands And Mines (Kuala Lumpur)
2. Department of Environment (Kuala Lumpur)
3. Department of Forestry Peninsular Malaysia (Kuala Lumpur)
4. Department of Immigration (Kuala Lumpur)
5. Department of Irrigation & Drainage (Kuala Lumpur)
6. Department of Labour (Kuala Lumpur)
7. Department of Occupational Safety & Health (Kuala Lumpur)
8. Department of Orang Asli Affairs (Kuala Lumpur)
9. Department of Wildlife & National Parks (Kuala Lumpur)
10. Environment Protection Department Sabah
11. Department of Forestry Sabah
12. Department of Immigration Sabah
13. Department of Irrigation & Drainage Sabah
14. Department of Labour Sabah
15. Department of Occupational Safety & Health Sabah
16. Department of Wildlife Sabah
17. Land and Mines Office Sabah
18. Department of Environment Sabah

Statutory Bodies (by emails)

19. Malaysian Palm Oil Board (MPOB) - HQ
20. Malaysian Palm Oil Board (MPOB) - Northern Region
21. Malaysian Palm Oil Board (MPOB) - Central Region
22. Malaysian Palm Oil Board (MPOB) - Southern Region
23. Malaysian Palm Oil Board (MPOB) - Eastern Region
24. Malaysian Palm Oil Board (MPOB) - Sarawak Region
25. Malaysian Palm Oil Board (MPOB) - Sabah Region
26. Malaysia Palm Oil Association Kuala Lumpur (MPOA)
27. Malaysia Palm Oil Association Sabah (MPOA)
28. National Union of Plantation Workers (NUPW)
29. UNION – AMESU

NGOs and others (by emails)

30. All Women's Action Society (AWAM)
31. BCSDM - Business Council for Sustainable Development in Malaysia
32. Borneo Child Aid Society (Humana)
33. Borneo Resources Institute Malaysia (BRIMAS)
34. Borneo Rhino Alliance (BORA)
35. Center for Orang Asli Concerns COAC
36. Centre for Environment, Technology and Development, Malaysia – CETDEM
37. EcoKnights
38. ENO Asia Environment
39. Environmental Protection Society Malaysia (EPSM)
40. Friends of the Earth, Malaysia
41. Global Environment Centre
42. HUTAN - Kinabatangan Orang-utan Conservation Programme

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43. JUST - International Movement for a Just World
44. Malaysian CropLife & Public Health Association (MCPA)
45. Malaysian Environmental NGOs – MENGO
46. Malaysian National Animal Welfare Foundation – MNAWF
47. Malaysian Plant Protection Society (MAPPS)
48. National Council of Welfare & Social Development Malaysia – NCWSDM
49. Partners of Community Organisations (PACOS)
50. Pesticide Action Network Asia and the Pacific (PAN AP)
51. Proforest - South East Asia Regional Office
52. Sabah Wetlands Conservation Society (SWCS)
53. SEPA – Sabah Environmental Protection Association
54. SUARAM – Suara Rakyat Malaysia
55. SUHAKAM – National Human rights Society – Persatuan Kebangsaan Hak Asasi Manusia
56. Tenaganita Sdn Bhd
57. TRAFFIC – the wildlife trade monitoring network
58. Transparency International – Malaysian Chapter
59. Treat Every Environment Special Sdn Bhd (TrEES)
60. United Nations Development Programme – UNDP Malaysia
61. Wetlands International (Malaysia)
62. Wild Asia Sdn Bhd
63. World Wide Fund (WWF) - HQ
64. World Wide Fund (WWF) - Sabah

Local community (On-site interviews)

65. Consultative Committee & Gender representatives
66. Workers & Workers representatives
67. Village Heads & representatives
68. Suppliers & Contractors representatives

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Minor Compliance	The PMU has established and implemented documented procedures (Stakeholder Request – Corporate Level, Stakeholder Request – POM Level, Stakeholder Request – Estate Level) for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. IOI had provided a detailed response to the Greenpeace report “A Deadly Trade-Off” dated 27 Sep 2016 concerning policy violations in IOI’s third-party supply chain – for more details, please refer to: http://ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=819 On 28 Apr 2017, Greenpeace announced their decision to suspend their campaign against IOI Corporation and re-engage with the company. (http://www.greenpeace.org/international/en/press/releases/2017/Palm-oil-giant-IOI-moves-to-eliminate-deforestation-and-human-rights-abuses-from-supply-chain/) . Date of public notification of this assessment of the PMU was made on 07 Sep 2018. As at the period of assessment, there were no additional requests for information from stakeholders for this PMU.	Complied
1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	The PMU had established and maintained an updated site specific list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc. The POM and estates conducted a joint external stakeholders’ consultation on 4 Sept 2018. The POM and estates had also conducted their respective internal stakeholders’ consultations in Aug and Sept 2018. Records of participants and feedback given were maintained and appropriate actions taken.	Complied
Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
Indicators	Findings and Objective Evidence	Compliance
1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to: Major Compliance	Management documents relating to environmental, social and legal issues were verified to be maintained and available to the public (notices and websites) and updated by IOI, HQ. On 8 Aug 2016, IOI Corporation Berhad published a revised Group Sustainable Palm Oil Policy (SPOP) alongside a detailed Sustainability Implementation Plan (SIP) in	Complied

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	<p>consultation with a wide range of their stakeholders, both customers and civil society. IOI Corp. Bhd. further revised its Sustainable Palm Oil Policy (SPOP) and this was uploaded in the company website on 12 Jun 2017. (http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845).</p> <p>During this current assessment at the PMU, it was found that this revised policy had been communicated through briefing sessions to all levels of the workforce at POM and estates.</p> <p>The following types of mandatory documents are available to the public upon request:</p> <ul style="list-style-type: none"> • land titles/user rights, • occupational health and safety plan, • plans and impact assessments relating to environment and social impacts, • pollution prevention plans, • details of complaints & grievances, • negotiation procedures, • continuous improvement plan, • Public summary of certification assessment report, • Human Rights Policy. <p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estates. Also, Continual Improvement Action Plans include targets for waste reduction and pollution prevention.</p>	
<ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Safety Policy and HIRARC documented were reviewed for the POM and estates.</p> <p>Occupational Safety and Health Plans have been established and documented for the POM and estates.</p> <p>Annual review was conducted by the Group Safety & Environmental Manager (Sabah region) together with the respective Safety Officers for POM and estates.</p> <p>The OSH Programme 2018 include the following:</p> <ul style="list-style-type: none"> • Safety & Health Committee meetings 4x/year, • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • PPE usage, • MSDS/CSDS, • JKKP 8 reporting of accidents annually, • Emergency Response Plan (ERP), • Emergency drills, 	<p>Complied</p>

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	<ul style="list-style-type: none"> • Inspections (line site, fire extinguisher, first aid box, chemical store, ELCB, PPE checklist, Vehicle daily inspection, gen set maintenance, ramp inspection, bridge and tanks inspection), • Monthly KPI Report on HSE performance, • Monthly Safety inspection & audit by Safety Officer, <p>The CHRA for the POM and estates were conducted in 2014-2015 with validity till 2019-2020. Programmes for protecting workers' health and safety were satisfactorily implemented.</p>	
<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental Impact Assessment for the POM and estates were conducted and reviewed for year 2018.</p> <p>Management Plan and Continual Improvement Plan documented and implemented.</p> <p>SIA for the POM and estates were conducted and reviewed for year 2018.</p> <p>Positive and negative impacts identified. Action plans were documented and implemented.</p>	Complied
<ul style="list-style-type: none"> • HCV documentation (Criteria 5.2 and 7.3); 	<p>The Internal "HCV and Conservation Areas" Assessment for the POM and estates were reviewed on 5 Sept 2018.</p> <p>Management plans for HCV and Conservation areas were updated. The Management Action Plans were monitored and progressively implemented at the respective estates.</p>	Complied
<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); 	<p>Pollution Prevention Management Plans were reviewed in Sept 2018.</p> <p>Action items include mitigation measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, hydraulic oil, filters) and domestic wastes disposal, reuse and recycling (scrap iron, paper, plastic and glass).</p>	Complied
<ul style="list-style-type: none"> • Details of complaints and grievances (Criterion 6.3); 	<p>The mill and respective estates had maintained the Complaints and Grievances Logbook. Logbook entries were examined and found to be in order.</p> <p>Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.</p> <p>Refer to Appendix F (Summary of RSPO Complaints Panel Decisions and RSPO Case Tracking on IOI Group) concerning the following complaints against IOI:</p> <p>(1) RSPO Case Tracker on: PT SUKSES KARYA SAWIT (SKS), PT BERKAT NABATI SAWIT (PT BNS), PT BUMI SAWIT SEJAHTERA (PT BSS) SUBSIDIARY OF PT SAWIT NABATI AGRO (PT SNA), IOI Group Weblink: http://www.rspo.org/members/complaints/status-of-complaints/view/80</p> <p>(2) RSPO Case Tracker on: IOI Pelita Sdn Bhd Weblink: http://www.rspo.org/members/complaints/status-of-complaints/view/4</p>	Complied
<ul style="list-style-type: none"> • Negotiation procedures (Criterion 6.4); 	<p>Presently, there is no new conflict/dispute requiring negotiation on compensation at this PMU. Negotiation procedure and flowchart was available and maintained.</p> <p>The status on the ongoing negotiations on land issues against IOI Group plantations in Sarawak and Kalimantan are accessible via website link: http://www.rspo.org/members/status-of-complaints</p> <p>Refer also to details in Section 1.9: Time Bound Plan.</p>	Complied

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<ul style="list-style-type: none"> Continual improvement plans (Criterion 8.1); 	<p>Continual Improvements Plans in key operations for the mill and estates have been identified, documented and implemented. The plans include the Integrated Pest Management (IPM) program for pest control and reduction in the consumption of chemical pesticides, the use of direct bio-control methods such as the cultivation of beneficial plants, environmental and social programs such as recycling and providing new housing quarters for the workers, assistance in the HUMANA schools for children of foreign workers and better medical facilities and benefits for all employees.</p>	<p>Complied</p>
<ul style="list-style-type: none"> Public summary of certification assessment report; 	<p>Public summary of certification assessment reports are available from the company upon request.</p>	<p>Complied</p>
<ul style="list-style-type: none"> Human Rights Policy (Criterion 6.13). 	<p>The Human Rights Policy was documented and incorporated as part of the Sustainability Palm Oil Policy which was revised on 12 Jun 2017. The said policy was further revised in Oct 2017 - refer to:</p> <p>31 Oct 2017: IOI Group Revised Policies on Human Rights at Workplace. http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=856 Copies of the policy found to be displayed at prominent locations in the POM and estates. Briefing and communication to all levels of the workforce, both administrative and operations departments were provided.</p>	<p>Complied</p>

Criterion 1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

Indicators	Findings and Objective Evidence	Compliance
<p>1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>Minor Compliance</p>	<p>IOI Group has a documented policy “Code of Business Conduct and Ethics” signed by the CEO and Head of Sustainability (Malaysia/Indonesia) on 11 May 2015. The following are included:</p> <ul style="list-style-type: none"> - Diversity and Respect in the workplace, - Equal Opportunity Employment, - Protecting the Environment, - Safety, Health and Security at Work, - Managing Documents, - Intellectual Property and Information, - Management and Security in our Computing Environment, - Data Privacy - Employee Privacy in the Communication and Computing Environment - Gifts, Benefits or Entertainment, - Bribes and Kickbacks, - Employment of Family Members and Relatives. <p>Verified that copies of the policy were found to be displayed at prominent locations in the POM and estates and easily viewed by the workers.</p> <p>Refer also to:</p> <p>30 July 2018: IOI Group – Sustainability Progress Update (Apr- June 2018) Quarterly Report</p>	<p>Complied</p>

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	http://www.ioigroup.com/Content/S/PDF/Quarterly%20Sustainability%20Update_20180730_final.pdf	
	<p>Briefing and communication to all levels of the workforce, both administrative and operations departments were provided and verified to be recorded and understanding by personnel was confirmed via interviews done at POM & estates during current assessment.</p>	

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
2.1.1 Evidence of compliance with relevant legal requirements shall be available. Major Compliance	<p>The Legal Register covering the applicable local and international laws and regulations is available at the mill and estates and was verified to be reviewed for any relevant updates.</p> <p>The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.</p> <p>Licenses and permits (License for Trading, License for Employment of Foreign Workers, Workers Wages Deduction Permit, Domestic and Consumer Permit for Keeping Diesel, Petrol & Fertilizer, MPOB license, DOSH (Department of Occupational Safety and Health) Certificates, DOE (Department of Environment Permit, etc.) were renewed and evidenced to be valid.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.</p> <p>Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</p> <p>Valid licenses for authorized gas tester, authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Noise Monitoring Report is available.</p> <p>Legal documents (work permits, passports) of foreign workers in the estates. Insurance coverage is available for foreign workers in the estates.</p>	Complied

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	Based on the site observations, interviews and records checked, there was evidence of compliance with the relevant laws, regulations, local and international laws at the POM and estates. There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance.	
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance</p>	<p>The listing of all the relevant laws applicable included the international laws and conventions ratified by the Malaysian government are documented in the Legal register.</p> <p>The documented system for identifying, determining, reviewing and updating applicable legal and other requirements has been satisfactorily implemented.</p> <p>Laws and regulations monitored for changes included the Sabah Labour Ordinance (Chapter 67), regulations and circulars received from bodies such as DOE (Department of Environment) and DOSH (Department of Occupational Safety and Health), DID (Dept. of Irrigation and Drainage), Forestry Dept. and Wildlife Dept. were maintained.</p>	Complied
<p>2.1.3 A mechanism for ensuring compliance shall be implemented. Minor Compliance</p>	<p>The mechanism for ensuring compliance involved updating (when necessary) and an annual review with the compliance status indicated in the Legal Register (Flowchart on mechanism of tracking) was implemented.</p> <p>Annual internal audit was conducted on 7-9 Sept 2018 using the RSPO Generic Checklist for determining compliance of its operations with legal requirements and records were maintained. Observations were raised and closed by SPO team. Outcome of Internal Audit was reviewed in the Management review conducted on 15 Sept 2018 and minuted.</p>	Complied
<p>2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance</p>	<p>Tracking of changes in the relevant laws are communicated and received from the IOI Group HQ. The PMU subsequently ensured that the changes were adequately updated.</p> <p>Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.</p>	Complied
<p>Criterion 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance</p>	<p>Copies of the land titles of all estates were maintained and noted to be legally owned by the IOI Group.</p> <p>The original copies are maintained by the Corporate Head office in Putrajaya. The legal use of the land was confirmed to be for cultivation of oil palms and agricultural use as sighted on the land title documents issued by the Land Office in year 1987-1990. The land titles had indicated legal transfer from the previous owners back in 1987-1990 and land lease tenure of 99 years given by Sabah Land Office.</p> <p>Confirmation from community leaders was received during feedback sessions with stakeholders that the current land use by IOI estates over the past 30 years is legal and not disputed. There were no recorded or known disputes over the ownership of the land since 1987 as checked prior to and during the audit.</p> <p>Verified that there are has been no changes to the land ownership or new land acquisition since the last assessment.</p>	Complied

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	<p>This was also confirmed with the Land Office Dept.</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	
<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palm and agricultural crop of economic value.</p> <p>Locations of several boundary stones and markers were visited and verified to be within the perimeters of the estates.</p> <p>On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates.</p>	Complied
<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>Minor Compliance</p>	<p>There has been no dispute on the land rights in this PMU. As such, the process of fair compensation and FPIC is not applicable at this PMU.</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	Complied
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>Major Compliance</p>	<p>There were no reported instances of any land conflicts in this PMU.</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	Complied
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p> <p>Minor Compliance</p>	<p>There was no land disputes in this PMU. As such the process of participatory mapping is not applicable for this PMU.</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	Complied
<p>2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Major Compliance</p>	<p>There was no evidence to suggest that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	Complied
<p>Criterion 2.3</p> <p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>Major Compliance</p>	<p>Maps showing the extent of the legal boundary of the Estates were available.</p> <p>The lands at the PMU are legally owned by IOI Plantation Group and it is verified that there were no other users or affected parties in the land areas.</p> <p>There is no dispute on the land rights in the PMU. See also 2.2.1</p>	Complied

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	<p>The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping was not required at this PMU</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p>	<p>The lands were acquired in 1980's from private plantation owners. Records are available to show that the land acquisition comply with legal requirements.</p> <p>There was no evidence of any infringement on any legal rights that require free, prior and informed consent (FPIC).</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	Complied
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p>	<p>Verified during consultations that there are no incidence of any land claims in this PMU.</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	Complied
<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Major Compliance</p>	<p>Verified during consultations that there are no incidence of any land claims in this PMU.</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	Complied

Principle 3: Commitment to long-term Economic & Financial Viability

<p>Criterion 3.1</p> <p>There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>The 5-year Business Management Plan (for FY 2018/2019 to FY 2023/2024) for the PMU was documented and reviewed.</p> <p>The Annual Budget for each year include the following:</p> <p>(1) Staff and Labour requirements;</p> <p>(2) Crop projection; FFB yield/ha trends;</p>	Complied

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	<p>(3) Mill extraction rates; OER trends; (4) Cost of Production; Cost/mt FFB trends; (5) Cost of Production; Cost/MT CPO trends; (6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.). (7) Budget for Environmental, Social, Safety & Health, Training and Promotions.</p> <p>The Mill and Estate Managers have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).</p> <p>Records of monitoring of costs against budget to achieve specified targets were verified to be available.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the Regional GM.</p>	
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance</p>	<p>Annual replanting program had been prepared up to 2024/2025 for the audited estates as follows:</p> <p>Mayvin 1: Ongoing replanting till 2022 about 200 ha per year. Mayvin 2: Ongoing replanting till 2022 about 200 ha per year Mayvin 5: Replanting to commence in 2020-2025 about 200 ha per year Tangkalap: Ongoing replanting to complete in 2020 for balance of 239 ha.</p> <p>The replanting programs were reviewed annually by the respective Estate Managers together with the GM.</p> <p>A replanting cycle of 25 years has been adopted by the group.</p>	Complied

Principle 4: Use of appropriate best practices by growers and millers

Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance</p>	<p>IOI Plantations Group - Standard Operating Procedures (SOPs) for the POM and Estate operations were available and verified to be maintained.</p> <p>Latest revised SOPs for POM dated 01/07/2017 (Issue No. 2). Verified samples of SOP for the POM operations which include: FFB Reception, FFB Handling, Sterilizer, Threshing, Digestion & Pressing, Depericarperzation, Nut & Kernel Plant, Oil Room, Boiler Station, Engine Room Station, Laboratory, Water Treatment Plant, Effluent Treatment Plant and Workshop & Shovel.</p> <p>The SOP for Planting of Beneficial Plant and SOP for Management and Monitoring of Existing Cultivation of Oil Palm on Peat have been revised in December 2016.</p> <p>Verified samples of SOP for the Estate operations which include: Oil Palm DxP Seed Production, Pre-Nursery Seedlings, Pre-Large Polybag Nursery, Land Clearing, Land Preparation for new planting and replanting, Oil Palm Planting Density, Tidal Gates, Planting Technique, Foliar sampling, Leguminous cover plant, Manuring, Weeding, Harvesting, Road maintenance, Pest and disease control.</p>	Complied

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	Copies of the SOP are available on-site and based on interview with workers, it was confirmed that they understood the procedures and its implementation. Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.	
4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	Records had been kept by the staff concerned for each operation to monitor the implementation of procedure and progress of work. The records were checked by the Assistant, Agronomist, Plantation Adviser, and Mill Adviser regularly. Monthly visits carried out by the visiting Agronomist in the estates and Engineer in the mill. Monitoring of implementation of SOPs through monthly reports which are submitted to HQ.	Complied
4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Estate and mill carry out daily monitoring through field inspection records and mill inspection records. It is a routine that the estate and mill management prepare monthly reports and send to the HQ for monitoring purpose as well. All field inspection results are recorded in the Monthly Report. The records of monitoring and the actions taken over the past 12 months had been maintained at the mill and estates.	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	As at current assessment, the mill did not source for FFB from any third party. The entire crop was supplied by the estates within the IOI Group of PMUs in the region.	Complied
Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
Indicators	Findings and Objective Evidence	Compliance
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	The estates has SOPs for Good Agricultural Practice (GAP). GAP for minimization of soil erosion and maintenance of soil fertility were implemented via the frond stacking and fertilizer application as per the recommendations provided by the Agronomist of IOI Research Centre, Sabah. Records for fertilizer application verified against the "Fertilizer Recommendations & Requirements for Jan – Dec 2018". Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels.	Complied
4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance	Records of fertilizer application at the estates were maintained and had been verified to be satisfactory.	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels. Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency were available. The results of analysis were tabulated as Leaf Nutrient Status, thus the corrective action was able to address the Minor NC# OCL-01 raised during the previous audit. The fertilizer recommendations for Jan – Dec 2018 by the Agronomist were based on the analysis.	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	Geotubes used to filter the solid from the POME and the solid would be used by the estates for field application as organic fertilizer.	Complied

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	<p>All the EFB from the POM are delivered to the estates as evidenced by the "Daily/Monthly Summary Report of EFB" maintained by the POM.</p> <p>EFB Mulching Application Programme and field maps indicate the amounts and locations of EFB application in the estates.</p> <p>EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms.</p> <p>Land application of POME through gravitation flow into the field in Mayvin 2 estate, which is near to the POM.</p>	
<p>Criteria 4.3 Practices minimise and control erosion and degradation of soils.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance</p>	<p>Estate soils show no fragile or marginal soil existence. Soil types as indicated in soil maps are as follows: Mayvin 1 Estate: binalik, kepayan, sook, dalit, lokan, bidu bidu. Mayvin 2 Estate: binalik, kepayan, sook, dalit, lokan, Mayvin 5 Estate: dalit, lokan, sook, kepayan. Tangkulap Estate: binalik, kepayan, sook, dalit, lokan, bidu bidu. Based on the soil maps available, there was no fragile soil on the estates.</p>	Complied
<p>4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance</p>	<p>Planting terraces constructed on land with slope more than 6° as indicated in the Terrace Map. No planting at slope > 25° Best Management Practices were followed to control and minimize soil erosion and degradation during replanting or any activities involving earth disturbance. Replanted areas were verified during field inspections to be satisfactory. Steps taken for erosion control included soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways. There was no soil erosion noted during the field visit. Leguminous cover crop, <i>macuna bracteata</i> was well established.</p>	Complied
<p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</p>	<p>Estate roads were maintained in good and satisfactory condition. Annual road maintenance programme for 2017/2018 had been verified to be progressively done and satisfactorily implemented.</p>	Complied
<p>4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance</p>	<p>It was confirmed during assessment on site that there is no peat soil in the estates.</p>	Not Applicable
<p>4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance</p>	<p>There was no peat soil on the PMU estates as confirmed by auditor's on-site assessment</p>	Not Applicable
<p>4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance</p>	<p>Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on the estates.</p>	Not Applicable
<p>Criteria 4.4 Practices maintain the quality and availability of surface and ground water.</p>		

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Indicators	Findings and Objective Evidence	Compliance
<p>4.4.1 An implemented water management plan shall be in place. Minor Compliance</p>	<p>Documented Water Management Plan for the PMU verified to be in place for the palm oil mill and estates and was reviewed in September 2018.</p> <p>The Water Management Plan includes:</p> <ul style="list-style-type: none"> - Water Abstraction of water for FFB process. - Identification for water source in mill and estates. - Water treatment plant. - Water storage and use for FFB and domestic purposes. - Monitoring water discharge management in POM. - Buffer zone on streams and rivers. - Water for domestic use. - Sewage and septic tank. - Oil trap. - Rainfall data monitoring. <p>There are water ponds in the POM and estates. Water samples were collected and analyses were carried out at least twice a year. The water for domestic use met all the required parameter (colour, turbidity, Al, Ammoniacal Nitrogen, As, Cl, Cr, Cu, cyanide, Fl, FE, Pb, Mn, Hg, nitrates, Na, sulphates, Total Dissolved Solids, Total Hardness, Zn, E. Coli, Coliform count) for Drinking Water Quality Standard. In addition, there was precautionary measure such as signages instructing 'boiling water before consumption' being displayed at the estate offices and housing areas.</p> <p>Rain water is also harvested for washing and cleaning.</p> <p>However an observations was raised as follows: Location: Water Treatment Plant, Mayvin 5 Estate At the water treatment plant, Mayvin 5 Estate, a Bahasa Malaysia version of the SDS on water treatment chemicals can be made available at the water treatment plant.</p>	<p style="text-align: center;">OBS: CBK-01</p>
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance</p>	<p>There was no construction of bunds/ weirs/dams across the waterways passing through the estates.</p> <p>Riparian zones to be maintained on both sides of streams in the estates and no spraying around palms marked as boundary for the riparian zones.</p>	<p style="text-align: center;">Complied</p>
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance</p>	<p>Water samples were taken at monthly interval at the final discharge point of the palm oil mill effluent pond and at upstream and downstream of waterways.</p> <p>Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements.</p> <p>BOD levels had been in the range of 5.5 to 32.9 ppm for the period Jul 2017 to Jun 2018. The current allowable upper limit specified by D.O.E. Sabah for Mayvin PMU is 50 ppm (max).</p> <p>Analysis results meet the following DOE limits specified for the water sample dated 19/09/2018:</p> <ul style="list-style-type: none"> • BOD < 50 mg/l, • Total Suspended Solids < 200 mg/l, • Oil & Grease < 20 mg/l, • Ammoniacal Nitrogen < 150 mg/l, • Total Nitrogen < 200 mg/l, • pH = 5 to 9, • Temperature < 45°C 	<p style="text-align: center;">Complied</p>

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<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance</p>	<p>Water usage in the mill from Jul 2017 to Jun 2018 ranged from 0.67 to 1.05 m³/tonne FFB with an average of 0.87 m³/tonne FFB which is within the industrial norm of 1.2 m³ to 1.5 m³/tonne FFB.</p>	<p>Complied</p>
<p>Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance</p>	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents. Records on planting of beneficial plants had been verified on the estates. These records included "as to date planted area". Hence the observation (OBS# OCL-01) raised during the previous audit was addressed. Pest infestation was noted to be minimal at the estates. No reported infestation by other pests (bagworms, rats and rhinoceros beetle). Pest infestation was minimal on the estates. There is no barn owl in the PMU estates.</p>	<p>Complied</p>
<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p>	<p>IPM training conducted for all those involved in IPM implementation. Training records for staff and workers on IPM implementation were available and was verified on-site to be satisfactory during field assessment.</p>	<p>Complied</p>
<p>Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p>	<p>Written justification in Standard Operating Procedures of all agrochemicals use had been reviewed and found acceptable. The PMU has an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows: (1) Glyphosate isopropyl amine (41% a.i.) (2) Metsulfuron methyl (20% a.i.) (3) Triclopyr butoxy ethyl ester (32.1% a.i.) (4) 2,4 Dimethylamine (60% a.i.) (5) Glufosinate ammonium (13.5% a.i.) Specific pesticides had been used to deal with the respective target pest, weed, or disease.</p>	<p>Complied</p>
<p>4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance</p>	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications had been maintained and kept for a minimum of 5 years. Verified that records of monitoring were satisfactorily.</p>	<p>Complied</p>
<p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	<p>It had been the policy of the estates to minimize the use of pesticides in accordance with IPM plan. The pesticide reduction program is monitored on usage per hectare basis. Overall, the usage of pesticides were maintained at consistent levels. No prophylactic use of pesticides had been carried out at the estates for the period concerned.</p>	<p>Complied</p>
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or</p>	<p>Use of paraquat had been eliminated since 31 Dec 2011 in the IOI Group Estates. Alternatives such as Round up (Glyphosate Isopropylamine) had been used to replace paraquat.</p>	<p>Complied</p>

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<p>Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance</p>	<p>First Aid Kits found to be available during pesticides spraying in the fields (4th Schedule). Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p>	
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance</p>	<p>All pesticide operators have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls) have been provided and used by the pesticides operators. All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers. Programme and training records verified to be satisfactory. The training include spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	Complied
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p>	<p>Storage of pesticides found to be kept under lock and key and its use were in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. Emergency shower and eye wash were available near the pesticides store in case of accidents. The estates have a pesticides store and pesticide containers washing & bathing places for thepesticide workers. The pesticides store was found to be a permanent building with good ventilation and a cement floor equipped with a "spillage trap". Emergency shower and eye wash verified to be in good working condition. First aid box, PPE and fire extinguisher were provided at the pesticide warehouse. Material Safety Data Sheets (MSDS) are available in the store. The MSDS are in English and Bahasa Malaysia (understood by the workers). Used pesticide containers were either reused as containers for spraying solution or disposed. For disposal, empty pesticide containers were triple rinsed and pierced at the bottom and disposed of by a contractor approved by the Department of Agriculture.</p>	Complied
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. Warning notice displayed in the area being sprayed with pesticides. Programme and training records verified to be satisfactory.</p>	Complied

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<p>4.6.8 Pesticides shall be applied aerielly only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p>	<p>It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the PMU.</p>	<p>Complied</p>
<p>4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance</p>	<p>The Annual Training Programme includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators attended continual training to enhance their knowledge and skills on pesticides handling. Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	<p>Complied</p>
<p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance</p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor. The scheduled wastes from the estates are sent to the POM for disposal. Empty pesticide containers are triple rinsed and pierced at the bottom and disposed of by a contractor approved by the Department of Agriculture. Records of scheduled waste collection at the mill and collection of pesticide containers were verified to be satisfactory.</p>	<p>Complied</p>
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p>	<p>Annual medical surveillance for all pesticide operators had been implemented in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2. It was verified that the CHRA recommendations have been satisfactorily followed. Latest medical surveillance for pesticide operators in February, July and September 2018 for Mayvin 2 Estate, Mayvin 5 Estate and Tangkulap Estate. Medical surveillance reports of individual sprayers were checked and no abnormality was reported by the Medical Doctor. The medical reports showed that there was no case of low blood cholinesterase levels. Any worker with such health condition would be unfit for work with pesticides. There was no such cases in the PMU as at the date of assessment. The medical surveillance results of all the pesticide operators stated as “fit for work with pesticide”. Pesticides operators were interviewed during field visits and feedback received that they do not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. Besides the annual medical surveillance, monthly clinical tests (to check lungs, gastro intestinal, urinary system, pregnancy, nails, skin, etc.) also carried out by the Health Assistant on sprayers and records maintained indicate no cases of toxic reactions.</p>	<p>Complied</p>
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator. Monthly clinical checks for pregnancy carried out.</p>	<p>Complied</p>
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		

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Indicators	Findings and Objective Evidence	Compliance
<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>Major Compliance</p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act 1994 was documented and implemented.</p> <p>OSH Policy found to be clearly displayed at POM and in the estates office. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health.</p> <p>The Safety & Health Officer is in charge of safety and health planning, operation & coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved.</p>	<p>Complied</p>
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>Major Compliance</p>	<p>Risk assessment carried out on operations where health and safety is an issue in order to determine the significant hazards. Significant hazards determined and documented include noise exposure, pesticides/chemicals exposure, accident, fire. Procedures and actions implemented to mitigate the hazards.</p> <p>There was an assessment of noise levels in the POM on 16-18/11/2012 as seen in the Consultant Report. Work areas identified with high noise levels are the boiler station, engine room, kernel and nut plant, press station and sterilization unit where noise level exceeded 85 db. Additional assessment of noise levels conducted on 29/09/2017 by DABOH Sdn Bhd. Mill management have taken steps to reduce the noise levels by more frequent lubrication of machinery, reducing the exposure time to high noise and mandatory use of ear plugs and ear mufflers.</p> <p>Annual audiometric tests were conducted on 9 Aug 2018 for the mill staff and workers exposed to high noise levels. The audiometric reports of 11 workers indicated as having mild to moderate hearing impairment and recommended to wear hearing protector. No worker have severe hearing impairment (permanent threshold shift). One worker was found to have his hearing affected and a re-test was required. The mill management had begun arrangement for the re-test with the medical doctor on 7 November 2018.</p> <p>The corrective action taken by the mill management was able to address the previous non-compliance (NC# OCL-01). In previous report, 2 workers' hearing was affected. While one was reassigned to other work in low-noise level environment, the other had resigned from the mill.</p> <p>Baseline audiogram and occupational and medical history records of workers maintained.</p> <p>Employees exposed to high noise levels were interviewed and there was no complaint raised. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available.</p> <p>"Permit to work" system applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entrant and stand-by involving work in confined space.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues.</p>	

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	<p>Warning signs sighted at high noise areas and ear plugs and ear mufflers to be worn. There are also warning signs to use other PPE such as helmet and safety boots. An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</p> <p>Adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estates and records maintained.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented. Yearly reporting of JKPP8 regulations was submitted to JKPP on time, i.e. in January of each year. The Safety & Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps.</p> <p>However an observations was raised as follows:</p> <p><u>Location: Mayvin 2 Estate</u> Label for the water container for use by the pesticide workers can be marked more clearly.</p> <p><u>Location: Tangkulap Estate</u> The steps of the passenger trailer need to be maintained so as not to be dislodged.</p>	<p>OBS: CBK-02</p>
<p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance</p>	<p>Training programme planned and carried out for year 2018 includes training for all categories of workers. Appropriate trainings on safe working practices are planned and conducted for:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers <p>The training programme included the various types of training such as fire-fighting and fire drill, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding MSDS/CSDS and first aid training. Trainings records were available. Evaluation carried out on each of the trainings to determine its effectiveness.</p>	<p>Complied</p>
<p>4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance</p>	<p>The Sandakan Region area responsible for the overall safety and health of the Grouping was headed by the Safety & Health Manager. The Mill and the Estates had set up Safety And Health Committees which were chaired by the Managers of the operating units with the Assistant Managers as Secretary of the committees. The committee members comprise representatives from the management and the employees.</p> <p>The safety & health committees held quarterly meetings to discuss issues relating to safety & health of all the employees.</p>	

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	Records of regular meetings between the responsible person and workers had been verified to be satisfactory. However, an observation was raised as follows: At Mayvin 2 Estate, the remainder worker representative need to be appointed to make up for the proper composition of the Safety Committee.	OBS: CBK-03
4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly safety & health committee meetings. Reviewed during Safety Committee meeting on 14/9/2018.	Complied
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with MSIG Insurance.	Complied
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.	Complied
Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.		
Indicators	Findings and Objective Evidence	Compliance
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	A formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable.	Complied
4.8.2 Records of training for each employee shall be maintained. Minor Compliance	Records of training for each employee, including new employees were maintained.	Complied

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

Criteria 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
Indicators	Findings and Objective Evidence	Compliance
5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance	The PMU had submitted the Environmental Aspect and Impacts Assessment (EIA) in Aug 2013 in accordance with the DOE and EPD requirement (EIA Order 2005, 2 nd Schedule of Environmental Protection Enactment) for Proposed Replanting Programme for all the estates under the grouping. The submitted report by an approved EIA consultant (i.e. Kiwi Heng Environment Consultant Sdn Bhd with the Agreed Environmental Conditions –	Complied

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	<p>(Surat Aku Janji) stipulated was reviewed by the POM and estates on annual basis. The annual review of the EIA was done on 1 Aug 2018.</p> <p>As per the EIA, the Environmental Compliance monitoring were done on 4 monthly basis per year (i.e. in April, August and Dec). ECR reports of Dec 2017 & April 2018 were sighted during audit in which non-compliance findings were adequately followed up and addressed by the PMU.</p> <p>POM & Estates internal EAIA were reviewed and updated (where necessary) for site specific issues in Aug and Sept 2018.</p> <p>The EAIA review process had included stakeholders' consultation with regards to environmental aspects, impacts, and pollution control, and ERT, HCV and land usage issues. The reviews done had involved respective Managers, Assistants and SPO team with external stakeholders such as from Govt. agencies, neighbouring estates, local villagers, suppliers and contractors.</p>	
<p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance</p>	<p>The EAIA assessments had included the identification of aspects and impacts from resulting from the POM and Estate operations.</p> <p>At the POM, specific impacts identified include smoke emissions, noise levels, POME and EFB management. Data were collected and analysed for compliance with relevant regulations and further actions needed were documented and implemented.</p> <p>At the Estates, field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal, landfill management, road maintenance, wildlife and land conservation activities.</p> <p>Implementation activities recorded includes the weekly patrolling as per the Patrolling programmes to monitor both environmental and safety issues. Noted that reports were submitted to the Wildlife Dept. on 2 monthly basis as part of responsive action by the Estate Managers who were trained and qualified as Honorary Wildlife Wardens.</p> <p>However, a noncompliance was issued as follows:</p> <p>Location: Mayvin 5 estate</p> <p>It was noted that occasional flash floods and seasonal flooding has continued to cause soil erosion and wash down of materials (such as palm fronds and some tyres used for planted beneficial plants) into the streams.</p> <p>Froned stacking made was too close to the buffer areas to streams and also without adequate pegging to prevent being washed down to the streams (such as Field Block 96C & 97B at Water Sampling points). The monitoring done presently was considered to be not effective.</p>	<p style="text-align: right;">Minor NC: AL-01</p>
<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance</p>	<p>Implementation and monitoring of the documented environmental improvement plans was reviewed on an annual basis. For the audit period, it was reviewed in Sep 2018.</p> <p>The plans had taken into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams.</p> <p>Previous NC: SH-01 (2017) was adequately addressed and effectively implemented for closure.</p> <p>Verified during on-site visit to fields that appropriate actions were also taken on findings stated in the ECR reports.</p>	<p style="text-align: right;">Complied</p>
<p>Criteria 5.2</p>		

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The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.		
Indicators	Findings and Objective Evidence	Compliance
<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Major Compliance</p>	<p>The HCV and Conservation assessments conducted by the IOI Sustainability Team (Sandakan region) were documented and reviewed for the POM and all the estates in Aug and Sept 2018.</p> <p>Verified that the review had considered all aspects of environmentally sensitive areas such as riparian areas, buffer zones near Forest reserves, water catchments near hills, natural watercourses such as streams, potential wildlife and the perimeter boundaries of the PMU.</p> <p>HCV and other environmentally sensitive areas were documented and inspected on site.</p> <p>Site visits to the estates confirmed that Mayvin 1 estate is surrounded by palm oil estates along its borders. River tributaries of Sg. Tawai and Sg. Ruku-Ruku passes through the estate, Mayvin 2 estates has borders with the Tawai Forest Reserve on the western part, Mayvin 5 and Tangkulap estates have borders with the Tangkulap Forest Reserves on southern part. Boundaries bordering the forest reserves were well demarcated and electric fencing installed along the forest borders with the Forest Reserves to deter wild elephants from coming into the estates.</p> <p>Conservation areas/environmentally sensitive areas i.e. buffer zones along the stretches of streams which pass through the estates as identified were being monitored.</p>	<p>Complied</p>
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.</p> <p>Major Compliance</p>	<p>Regular patrols within the POM and estates were being carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas.</p> <p>The Estate managers who were qualified as Honorary Wildlife Wardens had assisted the Wildlife Department to monitor wildlife that exists within the boundaries of their respective estates.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also carried out by the patrolling activities conducted and the patrolling and 2 monthly reports to the Wildlife Dept. were available and maintained.</p> <p>Signages that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited and found to have been satisfactorily maintained.</p>	<p>Complied</p>
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>Minor Compliance</p>	<p>IOI Group had sent 29 personnel i.e. Estate managers and assistants (which included personnel from Mayvin PMU) for the Honorary Wildlife Warden training held in 2016 and these personnel were qualified and authorised as listed in the Sabah Government Gazette (Warta Kerajaan, Sabah) of 9 Feb 2017.</p> <p>It is noted that the renewal and re-qualification of appointment as Honorary Wildlife Wardens is valid for a 3 year period and the re-qualification and training by the Forestry Department is planned for IOI personnel in 2019.</p> <p>Training programme and briefings on HCV and RTE were organised and attended by personnel across the organisation. These trainings conducted at the Estates of Mayvin 1, 2, 5 and Tangkulap were spread over a period between Jan and July 2018. It is noted in the attendance records that the attendees included the supervisors, mandores, sprayers, manurers and general field workers.</p>	<p>Complied</p>

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<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p>	<p>Management plans were established and monitoring outcomes were reviewed by the estate managers. Feedbacks from consultations with the Forestry Dept. and Wildlife Dept. were incorporated.</p> <p>Verification were also made during on-site assessment and found to be satisfactory implemented at Mayvin 1, Mayvin 2, Mayvin 5 and Tangkulap Estates.</p> <p>The overall management plan on the status of HCV/RTE of the Mayvin PMU is collated and reviewed by the Sustainability team (Sandakan region) and monitored by the Sustainability Dept. at HQ. The action plans were adequately updated.</p>	<p>Complied</p>
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited. Thus negotiated agreement of such nature is not applicable.</p>	<p>Not applicable</p>
<p>Criteria 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.3.1 All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p>	<p>Visits made to POM and estates showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials, e.g. EFB, POME.</p> <p>Scheduled Waste identified included: waste lead acid batteries (SW 102), waste containing mercury - electric bulbs (SW 109), electrical and electronic waste (SW 110), spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102). Discarded chemicals (SW 429).</p> <p>Records on the inventory as per 2nd and 5th Schedules, and disposal were properly recorded and documented.</p> <p>Segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the POM and estates. Proper storage areas were identified for the storage of the recyclable wastes at the mill and estates including at the workshops.</p>	<p>Complied</p>
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</p>	<p>The POM and estates have proper designated stores for the storage of all types of chemicals to ensure proper segregation and disposal.</p> <p>Listing of Schedule waste items are reviewed and updated as per Schedule 2 (Regulation 3) EQA. 1974, and inventory records were maintained as per Schedule 5 (Regulation 11).</p> <p>For the POM and estates, scheduled waste disposal was done using a DOE approved scheduled waste disposal contractor (Lagenda Bumimas Sdn Bhd). Noted last disposal done on 18 July 2018 as per e-Consignment Notes records.</p> <p>Used pesticides containers were noted to be triple rinsed at the chemical pre-mixing areas and contents collected at the collection sumps for re-use in the field applications. Puncture of plastic containers were done before disposal via a plastic recycling contractor.</p>	<p>See below</p>

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	<p>Inventories on the schedule waste items and chemical containers were satisfactorily maintained.</p> <p>Clinical waste (SW 404) was collected from POM and estates clinics and were transferred on a monthly basis via ambulance to Clinic Luangmanis (at Ladang Sabah, Sandakan) for proper disposal. Last consignment note issued by KKM clinical waste contractor (Seda Fiat Sdn Bhd) was noted on 19 July 2018.</p> <p>Records on inventory and disposal for the clinical waste were also maintained.</p> <p>However, an Observation was issued as follows:</p> <p>The recording of Clinical Scheduled waste need to be better checked for accuracy.</p> <p><u>Mayvin 5 estate:</u></p> <p>Summary of inventory in Schedule 5 (Jadual 5) Regulation 11 (Peraturan 11), EQA (SW) 2005 for SW 404 for Aug and Sept 2018 was incorrectly recorded – typo on the decimal place.</p> <p><u>Tangkalap estate:</u></p> <p>The SW 404 – Jadual 2 (Peraturan 3) for July 2018, states 0.009 mt sent out to Luangmanis Clinic was incorrect. Actual: 1.06 kg sent to Luangmanis Clinic on 13 July 2018.</p>	<p>OBS: AL-01</p>
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Minor Compliance</p>	<p>The Waste management and disposal plans were documented both the POM and estates. The plans were implemented as per the plans and were carried out responsibly.</p> <p>The Waste management plans had also identified wastes control at the linesites/ housing areas such as sewage discharge, non-biodegradable domestic wastes, chicken litter and other recyclable waste. Pollution control measures implemented included the use and maintenance of septic tanks, sedimentation ponds, landfill sites and collection bins for recyclable waste.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available in both POM and estates and were used for solid waste segregation and recycling.</p> <p>Solid waste management and disposal plan using landfills was available at Mayvin 1, 2, 5 and Tangkulap Estates. Landfill management was found to be satisfactory implemented with fencing and signages maintained. Location sites of landfills were noted far away (5 km) from housing sites and water sources.</p> <p>The waste management and disposal implemented adhered to the EQA Management of Solid Waste Act 672, Reg 2007 and EQA Reg 24 (Control of pollution from solid wastes Transfer Station and Landfill) Reg 2009 and was found to have been satisfactorily implemented at the mill and estates.</p> <p>Thus previous NC: SH-01 (2017) was adequately addressed and effectively implemented for closure.</p> <p>The recycling of crop residues / biomass, i.e. EFB and POME had been implemented. Management on EFB application plans and progress reports were verified to be satisfactory.</p>	<p>Complied</p>
<p>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</p>	<p>Monthly records on energy consumption for both renewable and non-renewable sources were maintained and monitored to optimise use of renewable energy and improvement plans</p>	<p>Complied</p>

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	<p>At the POM, apart from use of diesel for generating electricity, palm fiber was also used to generate electricity through steam turbine and boiler.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis.</p> <p>Annual consumption data for year on year were reviewed and analysed for efficiency improvements needed.</p>	
<p>Criteria 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Major Compliance</p>	<p>IOI Group had observed the policy of 'Zero open burning' for replanting, if any, at the estates.</p> <p>Field inspections made at Mayvin 1, 2, 5 and Tangkulap Estates did not show any evidences of open burning at the fields.</p>	<p>Complied</p>
<p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Minor Compliance</p>	<p>The PMU had observed the policy of 'Zero open burning' for ongoing replanting at the estates.</p> <p>Verified that there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estates during on-site field assessment.</p>	<p>Complied</p>
<p>Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). Major Compliance</p>	<p>Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelmann Smoke Chart. Report showed evidence that the emission is within the permissible limits of DOE as verified by documents made available during the on-site visit to the mill.</p> <p>POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations.</p> <p>Stack emissions and Boiler ashes were maintained and monitored at the POM. Regular reporting of twice yearly was carried out and report made available during the audit.</p>	<p>Complied</p>
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done, e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at both the POM and estates.</p> <p>The GHG emissions calculation has been compiled for FY 2017/2018 using the Palm GHG calculator v3.01. The GHG calculation report has also been submitted to RSPO Secretariat on 4 Oct 2018.</p> <p>Noted that plans for the reduction of GHG emissions include: At POM: Construction of the Biogas plant which has been approved and expected to complete by mid-2019. At PMU estates:</p>	<p>Complied</p>

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	Ongoing rehabilitation of natural vegetation programme at the buffer zones near the Tawai Forest Reserve and Tangkulap Forest reserves bordering with Mayvin 2, 5 and Tangkulap estates.	
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements.</p> <p>The monthly water quality analysis reports at the final discharge points performed by Permalab Sdn Bhd (Sandakan) were available and maintained.</p> <p>Verified that the results had met the permissible limits set by DOE for the PMU (i.e. BOD levels < 50 ppm).</p> <p>Also verified that land irrigation done for final discharge water to Mayvin 2 estate fields (nearest to POM) as per DOE requirement.</p>	Complied

Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills.

Criterion 6.1		
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance</p>	<p>The Mill and Estates had conducted the Social Impact Assessment (SIA) in consultation with the external and internal stakeholders.</p> <p>The SIA had included a description of the assessment methodology and a review of the aspects of demography, laws & regulations, work & contracts, grievances, facilities & amenities, environmental issues, safety & health issues etc.</p> <p>Management Action Plans & Continuous Improvement Plan had been developed, implemented and monitored.</p> <p>Records included attendance lists, minutes of meeting, summary on status of communication, grievances, complaints and requests were available.</p>	Complied
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance</p>	<p>The SIA was conducted with the participation of affected stakeholders through consultations with workers, suppliers, contractors, transporters, service providers, school teachers, government departments and non-government organisations.</p> <p>Consultations with external stakeholders was carried out jointly by the mill and estates on 24 July 2018.</p> <p>The POM, Mayvin 2 Estate, Mayvin 5 Estate and Tangkulap Estate held their consultations with their internal stakeholders as recorded in Employee Consultative Community Meeting conducted once in every 2 months.</p>	Complied
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of</p>	<p>The action plans for avoidance or mitigation of negative impacts and promotion of the positive ones were documented, implemented and monitored by the Social</p>	Complied

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<p>impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>Major Compliance</p>	<p>Liaison Officers and the Managers. A schedule of activities and responsibilities with time frame was seen in the implementation plans.</p>	
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The latest revision of SIA plans had been carried out as follows:</p> <p>At POM reviewed on 3 August 2018</p> <p>Mayvin 2 Estate reviewed on 14 July 2018</p> <p>Mayvin 5 & Tangkulap Estate reviewed on 6 August 2018</p> <p>The revision had taken into consideration of the updates and issues raised by the stakeholders during the consultations.</p> <p>Records included minutes of meeting, summary & status of external stakeholder, communication, grievance/complaint and request. Attendance lists showed participation of suppliers, transporters, service providers, workers, sundry shop owners etc.</p> <p>However, a nonconformance finding was issued as follows; SIA reviewed has not adequately considered the following:</p> <ol style="list-style-type: none"> 1) Humana school – children playground & activities 2) Children of age above 5 who are not at Humana school but found at crèche. 3) The presence of too many dogs in which has cause some of the children to become fearful of playing outdoors 4) Impact to the sundries shop when workers is more interested to buy household items at the nearest town after pay day. 5) The charge / deduction of RM5 per month to workers for electricity use (Mayvin 2) 6) Hospital Assistant (HA) has not followed up on immunisation needed for case of child born by foreign worker. 7) Delay by the Immigration Departments for the renewal of work permit. 	<p>Complied</p> <p>Minor NC# MNM-01</p>
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>Minor Compliance</p>	<p>There are no smallholders at the PMU. Thus this is not applicable.</p>	<p>Not applicable</p>
<p>Criterion 6.2</p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.2.1 Consultation and communication procedures shall be documented.</p> <p>Major Compliance</p>	<p>IOI's Group consultation and communication procedures are available via website link: http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm</p> <p>The PMU has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors,</p>	<p>Complied</p>

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	<p>neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings.</p> <p>In addition, procedures relating to the following, were established and remain unchanged:</p> <ul style="list-style-type: none"> - Grievance Procedure - Sexual Harassment Procedure - Stakeholder Request Procedure - Grievance Procedure for Land Owner Issues <p>These procedures, which were available at the Mill and the Estates, described the mechanism to be taken should any stakeholders wished to communicate with the Mill and the Estates on any issue concerning their interests.</p>	
<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p>Minor Compliance</p>	<p>The Mill and Estates had appointed the respective Social Liaison Officers as the persons responsible for handling all social matters and issues.</p> <p>The responsibilities of the Social Liaison Officers was clearly defined in their appointment letters. (i.e. Mill Asst Manager (Mr. Faizal Bin Asmat), Mr Norbert John for Mayvin 2 Estate, Mr Jeffy Lajim for Mayvin 5 Estate, Mr. Mohd Shah Rizan B Mohamad Jerry (Asst Manager) for Mayvin 1 and Mr Remos Martin (Asst Manager) for Tangkulap Estate</p>	<p style="text-align: center;">Complied</p>
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>Minor Compliance</p>	<p>The Mill and Estates had maintained their lists of stakeholders respectively. The stakeholders consisted of representatives from Government Departments & agencies, non-government organisations, workers, management staff and executives, contractors, transporters, suppliers, schools, hospitals, service providers, mill & estates communities, neighbouring estates etc.</p> <p>Records of communication with stakeholders via meeting, briefing, letters, emails, social media, telephone and actions taken were maintained and available.</p>	<p style="text-align: center;">Complied</p>
<p>Criterion 6.3</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>Major Compliance</p>	<p>All estates in the PMU have established complaints and grievances procedures and they were all well implemented. Complaints and Grievances logbooks were sighted in all audited estates and actively used by workers.</p> <p>Timelines for response to complaints and grievances are either indicated in the logbook or ECC representatives are appropriately established and implemented. Generally respond time for minor requests will be within 2-3 days.</p> <p>Complaints and Grievances Logbooks are for complaints which are not private and confidential in nature. For reports which are related to private matters such as sexual harassment reports separate logbooks are prepared and always kept under lock and key locations. Complainants are given the option whether the make the report personally or through nominated workers' representatives.</p> <p>It is verified during on-site interviews that there were no incidents of dispute or grievance of a serious nature.</p>	<p style="text-align: center;">Complied</p>

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<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Major Compliance</p>	<p>The PMU have a system for handling compensation claim in an effective, timely and appropriate manner. So far there has not been any dispute raised which was verified during on-site interviews with the workers.</p>	<p>Complied</p>
<p>Criterion 6.4</p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>Major Compliance</p>	<p>IOI as a group has a generic procedure and process Flow chart for identifying legal, customary and user rights and for identifying people entitled for compensation which was available for verification.</p> <p>Verified that there were no borders at estates in Mayvin grouping which were adjacent to any villages or native land.</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	<p>Complied</p>
<p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>Minor Compliance</p>	<p>The IOI Group has a procedure for calculating and distributing compensation which is available. To the date, there has been no dispute by any parties reported at the PMU.</p>	<p>Complied</p>
<p>6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>Major Compliance</p>	<p>Verified during consultations that there has been no dispute by any parties reported at this PMU. Therefore the process and outcome of compensation could not be observed.</p> <p>The land dispute issues at the IOI uncertified units were followed up and the progress of resolving the issues were verified. See details under Section 1.9 and Appendix E and Appendix F.</p>	<p>Complied</p>
<p>Criterion 6.5</p> <p>Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	<p>Offer letters and work contracts for local staff and foreign workers are verified. The contracts met the industry minimum standards including included extra pays under the statutory fringe benefits.</p> <p>All employees entered with a contract of employment. Official appointment letters specified rates of pay, employment terms and conditions, duration of employment,</p>	<p>Complied</p>

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	<p>increment & bonus, holiday pay, sick leave, medical benefits, termination notice, transfers, and mandatory deduction such as EPF and SOCSO.</p> <p>In addition, the appointment letters were in Bahasa Malaysia, a language which was also understood by the foreign workers. Interview with the Indonesian workers during field audit confirmed that the management had explained to them and understood the terms and conditions of employment and approved deductions.</p> <p>Payslips clearly showed the wages earned, overtime pay, holiday pay and the approved deduction items. Based on the payslips sampled, the workers earned at least the minimum daily wage of RM35.40 in accordance with the Minimum Wage Order 2016 effective from Jul 2016.</p> <p>No salary deduction on passport renewal for foreign workers. The Mill and Estates management has absorb the cost of foreign workers passport renewal.</p> <p>Thus, OBS#MNM-01 raised on ASA 02 has been adequately addressed</p>	
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Major Compliance</p>	<p>Documented pay and condition of employment were clearly defined within the employment contract.</p> <p>Among the items specified were job description, working hours, work location, responsibility, wage calculation, overtime, public holidays, paid annual leave, housing, transportation, medical treatment at estate clinic and insurance.</p> <p>The contract had been written in Bahasa Malaysia which were understood by the workers.</p> <p>Interview with the workers during field visit verified that the pay and condition of employment were explained to them and that they understood it.</p> <p>The mill and estates had a mechanism to determine those employees who were eligible or not eligible for holiday pay and annual leave pay. Through these mechanism, lists of eligible and ineligible employees were prepared.</p> <p>An agent appointed by the estates for the renewal process. Payment evidence for permit renewal was monitored and records available for Mayvin 2 (i.e. from Agensi Pekerjaan MNK, Ref No: MNK/LEVI/SK-00128/00486 dated 04/08/2018, Re: Bayaran Lanjutan Pas Kerja Buruh Asing (Levi, PLKS, B. Pro & Visa) for 9 workers (i.e. Elisabeth Tuto, Erni, Harlina, Haya+Kad, Hildayah Sinta, Mira Hamili, Noraini Upa, Rawi Baco and Rosmini Abu). Receipt from Immigration Dept is available (Application No: BPA/12091/HGAXK2239114).</p> <p>Thus, Major NC # MNM-01 raised on ASA-02 has been adequately addressed.</p>	<p style="text-align: center;">Complied</p>
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p>	<p>The Mill and Estates has provided adequate housing with supply of electricity and treated water free of charge.</p> <p>The power supply to the worker's living in estates quarters was provided from 3.00 am to 6.00 am and from 5.30 pm to 10.30 pm</p>	<p style="text-align: center;">Complied</p>

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Minor Compliance	<p>For Mayvin 2 Estate, there was a nominal fee of RM5.00 per month imposed on the workers whose living quarters which were supplied with 24 hours of electricity. Treated water was supplied free of charge.</p> <p>The accommodation provided for foreign workers are single storey linked units. The housing units have been approved by the Sabah Labour Department.</p> <p>The clinics situated at the Mill & Estate housing areas were manned by a health assistant providing free basic medical treatment. For more serious cases, the workers would be sent to the nearest hospital with transportation provided free-of-charge.</p> <p>Domestic waste was collected three times a week and disposed of at the landfill.</p> <p>Education at primary and secondary level were supported by the PMU for children from the estates as well as the surrounding areas.</p> <p>Pre-school children of foreign workers were cared for at the crèche near the housing areas while older school-going children attended the HUMANA School managed by a non-government organisation.</p> <p>The mill and estates provided transportation to send and pick up the school children from the schools.</p> <p>Social, cultural and recreational activities and places of worship were supported. Physical amenities such as surau, community halls, badminton courts and football fields are provided.</p>	
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	<p>The PMU monitored the local sundry shops to ensure that the workers have access to adequate, sufficient and affordable food within their compounds.</p> <p>The PMU also arranged for traders from outside to sell food, clothes and sundry items in the PMU at early of the month, i.e. after pay day.</p>	Complied
<p>Criterion 6.6</p> <p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available.</p> <p>Major Compliance</p>	<p>"Polisi Hak Sama Rata & Kebebasan Berpersatuan Pekerja" (Equal Opportunity Employment & Freedom of Association Policies) has been established and approved by Group Plantation Director dated October 2017. The policies were available in the Mill and Estates offices and displayed at the notice boards.</p> <p>Interview with managers, executives and workers verified that they were given the liberty to form or join and to participate in union activities of their own choice.</p> <p>The Mill and Estate employees had established their respective Employees Consultative Committee (ECC). The organisation chart of the ECC showed that the committee members consisted of workers of the mill and the estates.</p>	Complied

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<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance</p>	<p>The PMU has published a statement (in local languages) recognizing freedom of association at the POM office. The representation from the different levels of workers is through the Employees Consultative Council (ECC). These representatives are elected by the workers. Meetings minutes of ECC, list of attendance and photos of the sessions were kept in file showing evidence of participation of affected parties. Inputs and request raised during ECC meetings were verified to be included in the continual improvement plans of the mill and estates. ECC Meeting for POM and all estates were conducted once in every 2 months. Latest meeting for POM was recorded on 05/04, 02/06, 01/08 & 22 /09) and ECC Meeting at Tangkulap Estate was conducted on 12/09/2018 and JCC meeting was conducted after the ECC meeting with latest meeting was conducted on 14/09/2018.</p>	<p style="text-align: center;">Complied</p>
<p>Criterion 6.7 Children are not employed or exploited.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance</p>	<p>The Mill and Estates had established the Policy Statement For No Child Labour, approved by Group Plantation Director The Policy Statement indicated that only workers above 18 years old are employed by the Mill and Estates. The employment records and lists of employees maintained by the mill and estates showed there was no worker who is below 18 years old. Interviews with workers in the estates and at the Mill confirmed implementation of the stated policy. Minimum age for foreign workers were monitored as per "Foreign Workers Statement" (i.e. Sept 2018) which was also addressed their passport and permit expiry date.</p>	<p style="text-align: center;">Complied</p>
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance</p>	<p>The Equal Opportunity Employment & Freedom Of Association Policies were publicly available. It stated that everyone will receive equal treatment regardless of race, caste, nationality, origin, disability, gender, sexual orientation, union membership, political affiliation, or age. Interviews with workers indicated their satisfaction with the PMU for job opportunities and were treated equally on these aspects.</p>	<p style="text-align: center;">Complied</p>
<p>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance</p>	<p>The list of employees showed both male and females employed. Interviews with field workers verified that employees were not discriminated against races, nationality, gender as well as social groups. There was no complaint or issue regarding discrimination in any form.</p>	<p style="text-align: center;">Complied</p>

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<p>6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>Minor Compliance</p>	<p>The mill and estates kept and maintained records of their workers (experience, qualification, skills) and medical history.</p> <p>The recruitment, selection and hiring of workers are based on skills, competency, capabilities and medical fitness according to job scope. The positions held by workers commensurate with their skills and experience and no evidence of discrimination on promotion.</p> <p>There was evidence of several field workers at the estates had been promoted to 'Mandore' / Group Leaders / Driver. The basis for their promotion and change in their role and responsibilities and wages can be more clearly documented and retained.</p> <p>Hence, an observation (OBS: MNM-01) was raised</p>	<p>OBS: MNM-01</p>
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The mill and estates had established the Policy on Harassment at Workplace, approved by Group Plantation Director dated July 2018. The policy was also written in the Malay language and displayed on the notice boards at the offices and clinics.</p> <p>The "Buku Aduan Gangguan Seksual" (Sexual Harassment Complaints Book) was available specifically to record complaints related to sexual harassment.</p> <p>The Gender Committee meetings that were conducted had discussed matters relating to sexual harassment.</p> <p>Based on records, the Gender Committees had organised training sessions on sexual harassment and procedure of lodging complaints. There had not been any case of sexual harassment for the past year. (i.e. Tangkulap Estate - Briefing on the Sexual Harassment Policy was conducted on 14/09/2018 during Muster Call/Morning Briefing).</p>	<p>Complied</p>
<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The mill and estates had established the Protection Of Reproductive Rights Policy, approved by the Head of Sustainability (Malaysia/Indonesia) dated 02 Jul 2015.</p> <p>During interview with the workers at POM and estates visited, the awareness level of the workers regarding the policy was good. In addition, the policy was displayed at notice boards at the office and clinic.</p> <p>It was verified that there were no pregnant or breastfeeding woman worker among the agrochemical handlers. Medical check-up was conducted on monthly basis and recorded in "Medical Routine Checkup" (i.e. Paisah Bte Soma – Sprayer). No pregnant or breastfeeding workers handling chemical at the moment.</p>	<p>Complied</p>
<p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p>	<p>The flow chart entitled "Sexual Harassment Grievance Procedure" described the mechanism for which complaints could be lodged with respect to anonymity and confidentiality.</p>	<p>Complied</p>

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Minor Compliance	<p>It is available in both Bahasa Malaysia and English languages.</p> <p>The mechanism consisted of a Gender Representative appointed for the mill and each estate, whose duties included:</p> <ul style="list-style-type: none"> • To receive report or complaint from victim of sexual harassment • To prepare detailed report relating to sexual harassment • To discuss with the advisor of the committee on the required action to be taken to the offender after the investigation is executed. • To prepare the detailed report for investigation and action to be taken. • To ensure that all information pertaining to all report received be treated confidential. <p>Briefing on Reporting of Sexual Harassment and Grievance Procedure was briefed during Muster Call (i.e. on 26/04/2018 at Mayvin 1)</p>	
Criterion 6.10		
Growers and millers deal fairly and transparently with smallholders and other local businesses.		
Indicators	Findings and Objective Evidence	Compliance
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	The PMU does not have any dealings with smallholders and outgrowers. There was also no evidence to suggest of any unfair business practices with the local businesses.	Not applicable
6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	The PMU maintained records on current and past prices paid for FFB. Monthly prices are displayed at the POM office and FFB price data are available to the public upon request. The PMU does not have any dealings with smallholders and outgrowers.	Not applicable
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	Interviews with parties concerned confirmed that business practices with local businesses are conducted in a fair and transparent manner. Work tenders are open to appropriate parties and reviewed by Tender Committee before approval. Requirement for FFB transporter to provide netting/canvas to cover the FFB delivered from estates to Mill has been documented in the contract/agreements. (i.e. Contractor - Pengangkutan Kurnia (agreement dated 01/07/2018, Contract No: TKL/FY18-19/W010/001, Scope of Work: Transport FFB from ramp to Tangkulap Estate to Mill and Transport EFB from Mayvin Mill to Tangkulap Estate valid for 1 year (01/07/2018 – 30/06/2019). Thus, Minor NC # MNM-02 raised on ASA 02 has been adequately addressed.	Complied
6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance	The PMU has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreement made. Payments most of the time are made on according to common practice of 60-day grace period.	Complied

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	Interviews with employees and contractors confirmed that payments are received in a timely manner.	
Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.		
Indicators	Findings and Objective Evidence	Compliance
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	The mill and estates made contributions and donations for various occasions and events such as religious celebrations, social events, upkeep and maintenance of schools and access roads to local villages, family day, sports, estate facilities, security support, bereavement etc. Following developments / facilities were noted: <ol style="list-style-type: none"> 1. New housing quarters provided to the security personnel at Mayvin 2 Estate 2. Upgraded surau with air-conditioning units installed 3. New housing units for workers under construction at Mayvin 2 Estate 4. Bigger shop unit provided to sundries shop operator at Mayvin 2 and Mayvin 5 Estate. 5. Transport provided for school activities 6. New Humana and CLC School at Mayvin 5 7. New housing quarters (1 block X 6 units) at Mayvin 5 Estate 8. Completed Futsal Court at Mayvin 5 Estate 9. New housing unit under construction at Tangkulap Estate 	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity Minor Compliance	The estates had no scheme smallholders.	Not applicable
Criterion 6.12 No forms of forced or trafficked labour are used.		
6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	The Mill and Estates had established the Respecting Human Rights Policy, approved on 11 May 2015. The policy was written in Bahasa Malaysia and displayed on the notice boards. Verified during field audit that the workers were informed of the plantation work, pay and the terms and conditions of employment. Confirmed that there was no evidence of forced or trafficked labour. The workers had the option to allow the mill and estates to keep their passports on their behalf. Most of the workers interviewed verified that they had voluntarily signed an agreement with the mill and estates for the safe-keeping of their passports. The agreement also stated that the workers were free to request for their passport to be handed back to them whenever needed for whatever purposes. In addition, the workers also confirmed that the company did not impose any restriction for them to take their passport at any time for whatever purposes.	Complied

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<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p>Minor Compliance</p>	<p>There was no evidence of contract substitution and this was confirmed from interviews with workers and relevant stakeholders.</p> <p>Based on records, the workers had only signed one single contract that was established as per in the Section 18 Sabah Labour Ordinance (Chapter 67) Amendment 2005.</p>	<p>Complied</p>
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>Major Compliance</p>	<p>No temporary worker were employed to date.</p> <p>The Policy on Foreign Workers is available at the Mill and Estates.</p> <p>Foreign workers recruitment Guideline & Procedure in Malaysia. Requirements addressed such as FOMEMA health screening, passport handling free to kept themselves, grievance, unfit workers, contract renewal maximum 10 years, renewal of work permit, dated October 2017 (Revised July 2018) is available</p>	<p>Complied</p>
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>Major Compliance</p>	<p>New policy adopted by IOI is the “IOI Group Sustainable Palm Oil Policy” (revised on June 2017) covers human rights issues, including ILO core conventions, freedom of association, force and/or child labour, retention of passports, equal opportunity, sexual harassment-free working environment, etc.</p> <p>The policy was also written in the Bahasa Malaysia and displayed on the notice boards.</p> <p>The policy had been duly communicated to the workers / Stakeholders during the Stakeholder consultation, ECC Meeting as well as Gender Committee Meeting held at each of the respective estates and mill.</p>	<p>Complied</p>
<p>6.13.2 As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure the children of the plantation workers access to education as a moral obligation.</p> <p>Minor Compliance</p>	<p>The mill and estates had contributed towards the setting up of the HUMANA School for children of Indonesian workers for their primary and secondary level educations. The schools are managed by a non-government organisation.</p>	<p>Complied</p>

Principle 7: Responsible development of new plantings

Today, the PMU has not carried any new plantings after Nov 2005 which may be applicable under requirements of the RSPO New Planting Procedure. The requirements of Principle 7 were verified to be ‘Not applicable’ to this PMU during this assessment.

It was verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the RSPO PalmGHG v 3.0.1. The GHG Calculation Report was submitted to the RSPO Secretariat on 05 Oct 2018.

Based on the details provided in the records of submission and checks made on the ACOP and RSPO RaCP Case Tracker, it is verified that there is no potential liability under the RSPO Remediation and Compensation Procedure (RaCP) at this PMU.

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SUMMARY OF NET GHG EMISSIONS

All information and data below as per the latest summary report generated through **PalmGHG Calculator Version 3.0.1**.

GHG Table 1: Summary of Net GHG Emissions (12 months: Oct 2017- Sept 2018)

Emissions per Product	tCO ₂ e/tProduct
CPO	1.56
PK	1.56

Production	t/year
FFB processed	187,460.96
CPO Produced	40,472.38

Extraction	%
OER	21.59
KER	5.4

GHG Table 2: Summary of Land Use

Land use	ha
OP planted area	16,883
OP planted on peat	0
Conservation (forested)	6.43
Conservation (non-forested)	471.33
Total	17,360.76

GHG Table 3: Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land Conversion	65531.44	7.78	60670.43	9.32	0	0	126201.87	17.1
CO ₂ Emissions from Fertiliser	11252.07	1.34	8471.69	1.32	0	0	19723.76	2.66
N ₂ O Emissions	8271.55	0.98	5533.95	0.83	0	0	13805.5	1.81
Fuel Consumption	2642.98	0.31	2,076.16	0.3	0	0	4719.14	0.61
Peat Oxidation	0	0	0	0	0	0	0	0
Sinks								
Crop Sequestration	-76962.82	-9.13	-57507.51	-8.84	0	0	-134470.33	-17.97
Conservation Sequestration	-49.15	-0.01	0	0	0	0	-49.15	-0.01
Total	10686.07	1.27	19244.72	2.94	0	0	29930.79	4.21

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GHG Table 4a: Summary of Mill Emissions and Credits

	tCO ₂ e	tCo ₂ e/tFFB
Emissions		
POME	47389.05	0.25
Fuel Consumption	1548.99	0.01
Grid Electricity Utilisation	0	0
Credits		
Export of Excess Electricity to Grid and Housing	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	48938.04	0.26

GHG Table 4b: Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100 %

GHG Table 4c: POME Diverted to Anaerobic Digestion

Divert to anaerobic pond	100 %
Divert to methane capture (flaring)	0 %
Divert to methane capture (electricity generation)	0 %

Principle 8: Commitment to continuous improvement in key areas of activity

Criterion 8.1

Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.

Indicators	Findings and Objective Evidence	Compliance
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); 	<p>The PMU had planned and progressively implemented continual improvement activities in the POM and estates:</p> <p><u>Continual improvements for the POM:</u></p> <ol style="list-style-type: none"> 1. Construction of Biogas plant to completed by mid-2019 2. Installation of storage tank temperature control regulators for better monitoring and maintaining CPO quality. 3. Completion of Mini effluent laboratory. 4. New staff quarters. <p><u>Continual improvements for Estates:</u></p> <ol style="list-style-type: none"> 1. Increase planting of beneficial plants (<i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) along the roads. 2. Additional passenger trailers - Tangkulap. 	Complied

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<ul style="list-style-type: none"> • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. <p>Major Compliance</p>	<ol style="list-style-type: none"> 3. Construction of new SW stores - Mayvin 1, 5 and Tangkulap 4. New pump houses and water treatment at Mayvin 1. 5. Additional shower facilities for field workers 6. New Security guard post and housing 7. Additional units for staff and worker quarters 8. Additional crèche - Division B at Mayvin 1 9. New Sundry shop – Mayvin 1 10. New Workshop being constructed by year end. 11. New roofing for linesites - Tangkulap 12. Larger landfill site allocated - Tangkulap <p>Evidence of results was available for the above continuous improvement actions.</p>	
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3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

The Supply Chain model applied at IOI Mayvin POM during this assessment is **Module D – CPO Mills: Identity Preserved (IP)**.

Details of findings are as follows:

RSPO SCC Standard (Jun 2017)		
5. General chain of custody requirements for the supply chain		
	Findings and Objective Evidence	Compliance
5.1 Applicability of the general chain of custody requirements for the supply chain		
5.1.1 Legal ownership and physical handling of RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.	Yes	Complied
5.1.2 Trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Not applicable	Complied
5.1.3 Member of the RSPO and shall register on the RSPO IT platform.	Yes	Complied
5.1.4 Processing aids do not need to be included within an organization's scope of certification.	No processing aids	Complied
5.2 Supply chain model		
5.2.1 Same supply chain model as its supplier	Identity Preserved (IP)	Complied
5.2.2 Combination of supply chain models	Only IP	Complied
5.3 Documented procedures		
5.3.1 Written procedures and/or work instructions	Yes	Complied
5.3.2 Internal audit procedure and internal audit conducted to determine compliance.	Yes. (see D.3.1)	Complied
5.4 Purchasing and goods in		
5.4.1 Purchases of RSPO certified oil palm products with all the specified information.	Yes	Complied
5.4.2 Mechanism for handling non-conforming oil palm products and/or documents.	Yes	Complied
5.5 Outsourcing activities		
5.5.1 Outsourcing of activities	Not applicable	Complied
5.5.2 Outsourcing within the scope of its RSPO SC certificate	Not applicable	Complied
5.5.3 Names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Not applicable	Complied
5.5.4 Names and contact details of new contractor used for the processing or physical handling of RSPO certified oil palm products.	Not applicable	Complied
5.6 Sales and goods out		
5.6.1 Sales of RSPO certified oil palm products with all the specified information.	Yes	Complied
5.7 Registration of transactions		
5.7.1 Transaction registered in the RSPO IT platform and confirmed upon receipt.	Yes	Complied

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5.7.2 RSPO IT Platform: Shipping Announcement, Traceability, Confirming Shipping Announcements.	Yes	Complied
5.8 Training		
5.8.1 Training plan on RSPO SC Standards requirements and records of the training.	Yes	Complied
5.8.2 Appropriate training shall be provided	Yes	Complied
5.9 Record keeping		
5.9.1 Accurate, complete, up-to-date and accessible records and reports maintained.	Yes	Complied
5.9.2 Retention times for all record and reports.	Yes	Complied
5.9.3 Volume purchased (input) and claimed (output) over a period of twelve (12) months.	Yes	Complied
5.10 Conversion factors		
5.10.1 Conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs.	Yes	Complied
5.10.2 Conversion rates shall be periodically updated.	Yes	Complied
5.11 Claims		
5.11.1 Claims shall be in compliance with the RSPO Rules on Market Communications and Claims.	Yes	Complied
5.12 Complaints		
5.12.1. Documented procedures for collecting and resolving stakeholder complaints.	Yes	Complied
5.13 Management review		
5.13.1 Appropriate frequency of management review.	Yes	Complied
5.13.2 All the specified inputs for the management review.	Yes	Complied
5.13.3 All the specified outputs from the management review.	Yes	Complied

Module D – CPO Mills: Identity Preserved (IP)

D.1 Definition

Indicators	Findings and Objective Evidence	Compliance
D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.	The POM only processed FFB from its own supply base (see Section 1.3). It was verified that there was no sources of FFB from any outgrowers or independent suppliers / smallholders. The CPO Mill is therefore applying the Identity Preserved (IP) module.	Complied

D.2 Explanation

Indicators	Findings and Objective Evidence	Compliance
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<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded in this Assessment Report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced has been recorded in each report (see Section 1.8.2 Table 6 and Section 1.8.3 Table 7).</p>	<p>Complied</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p>	<p>The POM meets all registration and reporting requirements for the appropriate supply chain through the RSPO Supply Chain managing organization (RSPO IT platform or book and claim).</p>	<p>Complied</p>
<p>D.3 Documented procedures</p>		
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>Documented procedure for IP Module is: RSPOSC/SOP/IP/3 Rev.06, 8 Sept 2018.</p> <p>Latest revision to take into consideration the changes to the RSPO SCC Standard (Jun 2017) as follows: (1) Internal audit SOP: RSPOSC/SOP/IA/1 (Rev. 01, 01/08/2017). Noted that last annual internal audit was done on: (2) Contractor used for processing or physical handling of RSPO certified oil products. (3) RSPO Market Communication and Claims.</p> <p>The above procedures covered the implementation of all elements of IP Module.</p>	<p>Complied</p>
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Identity Preserved (IP) Module D that include controlling the FFB receipt, processing, sales, CPO and PK dispatch, and records keeping.</p>	<p>Complied</p>
<p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Mill Manager, Mr. Wilfred Moikong has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff (e.g. Assistant Mill Managers, Mr. Freddy Kwan and Mr. Faizal bin Asmat) under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module D requirements and its implementation. The RSPO SCC refresher training was conducted on 31 July 2018. Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations. The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Manager, Engineers, Assistant Engineers, Technical Executive, Supervisor, Weighbridge</p>	<p>Complied</p>

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	Operators Laboratory Chemist and clerks) have been suitably defined in the IOI Management System Manual.	
D.3.2 The facility shall have documented procedures for receiving and processing certified FFBS.	From Jan 2017 till Sept 2018, the POM had processed FFB mainly from the IOI Mayvin PMU estates including some FFB diverted from estates under certified Pamol Sabah Grouping of IOI Corporation Berhad. The PMU did not receive any non-certified FFB from other sources or suppliers. All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel. The identification and documentation needed for supply and processing from the other sources or suppliers are adequately addressed under the procedure. The POM has 4 CPO storage tanks that stored the IP quantities.	Complied
D.4 Purchasing and goods in		
Indicators	Findings and Objective Evidence	Compliance
D.4.1 The facility shall verify and document the tonnages and sources of certified FFBS received.	The Mill had maintained record of tonnages and supply source of FFB from the respective estates at the weighbridge station, in the dispatch chit and weighbridge ticket and these are reported daily to the Regional Office and weekly to the Head Office at Putrajaya.	Complied
D.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The Mill monitors FFB reception, CPO and PK production. IOI HQ and POM has an internal monitoring and reporting mechanism for advising the CB of production variations such as projected overproduction situation, when such issue arises. So far, there is no projected overproduction.	Complied
D.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.	The records and reports are available from the computerized system which is updated on a real-time basis. Also, hard copies of records and reports are properly filed and readily accessible. Inspection of records and reports at the Mill confirmed these were accurate, complete and updated daily. The inventory of receipts and deliveries for a 3 monthly transaction period for the certified CPO and PK is available (e.g. period of July-Oct 2018) As per the SOP, the records and reports are archived and stored in the Mill Office for a minimum period of 2 years.	Complied
D.6 Processing		
Indicators	Findings and Objective Evidence	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is	Confirmed from records that the POM only received and processed certified FFB from its own estates and occasionally from other IP certified IOI PMUs. The processing facility has established and	Complied

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<p>kept separated from noncertified oil palm product including during transport and storage to strive for 100% separation.</p>	<p>implemented a clear procedure and mechanism for the IP module. Review and on-site verification confirmed that the mechanism was implemented and in compliance with the module requirements at the mill, including transport and storage. Transaction documents and bookkeeping of FFB, CPO and PK are done daily and monthly summary submitted to Head Office. A volume balance recording system that shows FFB deliveries, CPO and PK production and dispatch is balanced every 3 months. The POM does not produce PKO. All PK produced are sold to IOI Edible Oil for crushing and there is no outsourcing of the PK crush to an independent palm kernel crusher. Documents and records provided documented evidence that the FFB receipt and processed, and CPO and PK produced are traceable to 100% certified IP material. The product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents.</p>	
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3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the POM has been able to comply with the requirements of the RSPO SCCS under the 'IP' module and is thus eligible for **'IP' trading for its palm products for year 2018/2019.**

3.1.3 Summary of Certified Product Volumes (Produced and Traded):

The Production data and traded volumes of certified products which was verified for July 2018-Jun 2019 is detailed as per Table 8A & 8B below:

Table 8A: Production Data

	Estate	Smallholders	Outgrowers
Number of Production Unit	5	-	-
Number of Individual Smallholders	0	-	-
Certified Area (ha)	9,302.26	-	-
Production Area (ha) / i.e. Mature area	8,426	-	-
HCV Area (ha)	0	-	-
Projected Certified FFB Processed (RSPO Certified) (mt)	185,517	-	-
Projected Certified - CPO Processed (RSPO Certified) (mt)	40,812	-	-
Projected Certified - PK Processed (RSPO Certified) (mt)	9,740	-	-

Trading of the certified products was monitored by the POM via RSPO Palm Trace including RSPO GreenPalm and ISCC IT platforms. The records maintained at the POM relied on internal communications of the trading done by the HQ, Kuala Lumpur. The volumes of traded certified products as verified during assessment are as follows:

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Table 8B: Summary of Trading volumes

Details as per RSPO Certification System Document		
	CPO (mt)	PK (mt)
Last year's (Projected) – Certified volume (RSPO Certified)	37,961	8,957
a) Last year's Actual sold volume (RSPO Certified)	32,773.20	6,229.97
b) Last year's Actual sold volume * (Other Schemes Certified)	0	0
c) Last Year's Actual sold volume ** Conventional	332.99	0
Total of (a) + (b) + (c)	33,106.19	6,229.97
Note: Total Actual sold volume for last year is based on previous 10 months at time of audit. Thus the actual volumes for next 3 months i.e. Oct - Dec 2018 is not available yet for inclusion during verification.		
New (Projected) – Certified Volume (RSPO Certified)	40,812	9,740

Notes:

* The non PalmTrace volumes under 'Other Schemes certified' is basically ISCC.

** Remaining volumes traded are not claimed under 'Certified' and traded as 'Conventional' volume.

3.2 Status of Identified Noncompliance and Corrective Actions, Observations and Positive Elements.

The status of the Noncompliances (NC) and Observations (OBS) identified against the MYNI Compliance Indicators is as per the details below:

Assessment Type	Year	Noncompliance (NC)	Observations (OBS)	Follow up status
Re-Certification Assessment	2015	1 Major	4	Actions taken on the NC and OBS verified to be effective during ASA-01.
Annual Surveillance-01	2016	2 Minor	1	Actions taken on the NC and OBS verified to be effective during ASA-02 except for the Minor NC# SH-01 (5.1.3), which is upgraded to Major NC because of reoccurrence at ASA-02.
Annual Surveillance-02	2017	3 Major & 3 Minor	3	Actions taken on the NC and OBS verified to be effective during ASA-03.
Annual Surveillance-03	2018	2 Minor	5	At next assessment.

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3.2.1 Year 2018 (ASA-03): 2 Minor NCs

NC#	MYNI Indicator	Details of Non-Conformance (NC)
AL-01: Minor	5.1.2	Date issued: 12 Oct 2018
		Requirement: 5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.
		Statement of Nonconformance: The action plan developed is not adequately reviewed for the changes needed to further mitigate the negative environmental impacts that are currently occurring.
		Evidence of Nonconformance: Location: Mayvin 5 estate It was noted that occasional flash floods and seasonal flooding has continued to cause soil erosion and wash down of materials (such as palm fronds and some tyres used for planted beneficial plants) into the streams. Fronde stacking made was too close to the buffer areas to streams and also without adequate pegging to prevent being washed down to the streams (such as Field Block 96C & 97B at Water Sampling points). The monitoring done presently was considered to be not effective.
		Root Cause and Corrective Action(s): by Auditee representative



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		<p>Root cause: The Environmental Impact Assessment which had been latest revised on 01st August 2018 was misinterpreted by the Environmental Liaison Officer as updated version prior audit and new revision did not made prior audit in October 2018 causing some of the recent negative environmental impact was not adequately being addressed.</p> <p>Corrective Actions:</p> <ol style="list-style-type: none"> 1. Refresher training on the Environmental Impact Assessment and field patrolling to specify the mitigation plan to address the negative environmental impacts will be carried out to the affected parties. <u>Status as of 11.02.2019:</u> Refresher training on the Environmental Impact Assessment (EIA) document has been carried out at Mayvin Palm Oil Mill in the morning on 11.02.2019 by the SPO Executive of Sandakan Regional Office with the participatory of Mayvin Grouping HODs including the Sr. Manager of Plantation in-charge of Mayvin Group, Assistant Managers, and SPO Clerks. The training covers on the environmental guideline basis on how to identify the aspect and impact in regards to the environmental related issues which operating unit need to be aware and make mitigation measure where appropriate. Examples were also given on some of the aspect and how they are assessed and mitigated. Expected completion: By end Feb 2019 2. Refresher training on StOP for pruning specifically on the placement of fronds will be carried out to field staff, harvesting mandore and harvesters. <u>Status as of 11.02.2019:</u> Refresher training on StOP for Pruning was carried out in two (2) batches. One was in December 2018 and recently in early February 2019 focusing on the participatory group of harvesters, the harvesting mandore and field staff. The objective of the training which was delivered by the Assistant Managers is to communicate the procedure on the placement of fronds after pruning task is completed with additional awareness on not to place the stacked fronds too close to the riparian area. Expected completion: By end Feb 2019 		
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>Off-site verification carried out confirmed the following response on action plan and/or evidences submitted:</p> <p>(1) Refresher training plan on the Environmental Impact Assessment for relevant personnel and parties at the PMU estates are acceptable for addressing the issue. CH Expected completion date by end Feb 2019 is acceptable.</p> <p>(2) Refresher training on StOP for pruning issues for relevant personnel being conducted in batches at the PMU estates are acceptable for addressing the issue. CH Expected completion date by end Feb 2019 is acceptable.</p>		
		<p>Conclusion: Corrective action plans and corrections taken as submitted as evidences at the audited sites are adequate to address the issues and accepted for closure.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by AL</td> <td style="width: 40%;">Date closed: 12 Feb 2019</td> </tr> </table>	NC status verified by auditor: Closed by AL	Date closed: 12 Feb 2019
NC status verified by auditor: Closed by AL	Date closed: 12 Feb 2019			
		<p>Verification of effectiveness: Next assessment</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor:</td> <td style="width: 40%;">Date verified:</td> </tr> </table>	NC status verified by auditor:	Date verified:
NC status verified by auditor:	Date verified:			

NC#	MYNI Indicator	Details of Non-Conformance (NC)
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MNM-01: Minor	6.1.4	Date issued: 12 Oct 2018
		Requirement:
		6.1.4 The plans (SIA) shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.
		Statement of Nonconformance:
		The reviewed Social Impact Assessment has not included the changes needed to address the current practices and situations of the affected parties.
		Evidence of Nonconformance:
		Location: POM and all estates audited SIA reviewed has not adequately considered the following: <ol style="list-style-type: none"> 1. Humana school – children playground & activities 2. Children of age above 5 who are not at Humana school but found at crèche. 3. The presence of too many dogs in which has cause some of the children to become fearful of playing outdoors 4. Impact to the sundries shop when workers is more interested to buy household items at the nearest town after pay day. 5. The charge / deduction of RM5 per month to workers for electricity use (Mayvin 2) 6. HA has not followed up on immunisation needed for case of child born by foreign worker. 7. Delay by the Immigration Departments for the renewal of work permit.
		Root Cause and Corrective Action(s): by Auditee representative
		Root cause: The existing template for the Social Impact Assessment had not sufficiently covered the present issues and was not adequately reviewed by Management personnel in addressing the current situations faced by the affected parties.
		Corrective Actions: <ol style="list-style-type: none"> 1. The template of the social impact assessment management plan document will be revised to add on the relevant social aspect input before the final endorsed document be released as reference to the parties involved. Status as of 11.02.2019: The existing Social Impact Assessment Management Plan Document has was initially revised by the Sustainability team of Sandakan Region to add on the social aspect that were not taken into account previously. The newly revised document is now accessible by each operating unit at Mayvin Group and expected to be used after training on the revised content is completed. Expected completion: By end Feb 2019 2. Training on the newly revised template document will be carried out for the attention of respective parties involved. Status as of 11.02.2019: Training on the newly revised Social Impact Assessment (SIA) document has been carried out at Mayvin Palm Oil Mill in the morning on 11.02.2019 by the SPO Executive of Sandakan Regional Office with the participatory of Mayvin Grouping HODs including the Sr. Manager of Plantation in-charge of Mayvin Group, Assistant Managers, and SPO Clerks. The training which was conducted after the EIA session refresher training mainly covers on the newly revised information added related to social aspect with impact identification and proposal of mitigation measure to address the impacts. The revision made were explained with example for awareness and better understanding. Expected completion: By end Feb 2019

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		Verification on Corrective Action(s): by Lead Auditor / Auditor	
		Off-site verification carried out confirmed the following response on action plan and /or evidences submitted:	
		<p>(1) Revised SIA plans being proposed for addressing the current issues faced for further improvement endorsed by the Senior Management and monitoring mechanisms for the social issues highlighted are acceptable for closure CH Expected completion date by end Feb 2019 is acceptable.</p> <p>(2) Training plan being prepared for progressive training and monitoring of the SIA issues are acceptable for closure. CH Expected completion date by end Feb 2019 is acceptable.</p>	
		<p>Conclusion: Corrective action plans and corrections taken as submitted as evidences at the audited sites are adequate to address the issues and accepted for closure.</p>	
		NC status verified by auditor: Closed by AL	Date closed: 12 Feb 2019
		Verification of effectiveness: Next assessment	
		NC status verified by auditor:	Date verified:

3.2.2 Year 2018 (ASA-03): 5 Observations

Ref No:	MYNI Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any
OBS CBK-01	4.4.1	<p><u>Location: Water Treatment Plant, Mayvin 5 Estate</u> A Bahasa Malaysia version of the SDS on water treatment chemicals can be made available at the water treatment plant.</p>	12 Oct 2018	-	Next assessment
OBS CBK-02	4.7.2	<p><u>Location: Mayvin 2 Estate</u> Label for the water container for use by the pesticide workers can be marked more clearly.</p> <p><u>Location: Tangkulap Estate</u> The steps of the passenger trailer need to be maintained so as not to be dislodged.</p>	12 Oct 2018	-	Next assessment
OBS CBK-03	4.7.4	<p><u>Location: Mayvin 2</u> The composition of worker representatives for the Safety Committee need to be equal in numbers from the Management and Workers. Presently it is shown to be short of 1 person on the worker's representation.</p>	12 Oct 2018	-	Next assessment
OBS: AL-01	5.3.2	<p>Location: <u>Mayvin 5 and Tangkulap</u> The recording of Clinical Scheduled waste need to be better checked for accuracy.</p> <p><u>Mayvin 5:</u> Summary of inventory in Schedule 5 (Jadual 5) Regulation 11 (Peraturan 11),</p>	12 Oct 2018	-	Next assessment

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		<p>EQA (SW) 2005 for SW 404 for Aug and Sept 2018 was incorrectly recorded – typo on the decimal place.</p> <p>Tangkalap:</p> <p>The SW 404 – Jadual 2 (Peraturan 3) for July 2018, states 0.009 mt sent out to Luangmanis Clinic was incorrect. Actual: 1.06 kg sent to Luangmanis Clinic on 13 July 2018.</p>			
OBS: MNM-02	6.8.3	<p>Location: POM, M2, M5, M1 & Tangkulap Estate</p> <p>There was evidence of several field workers had been promoted to 'Mandore' / Group Leaders / Driver. The basis for their promotion and change in their role and responsibilities and wages can be more clearly documented and retained.</p>	12 Oct 2018	-	Next assessment

3.2.3 Year 2017 (ASA-02): 6 NCs (3 Major, 3 Minor)

NC#	MYNI Indicator	Details of NC	
Major OCL-01	4.7.2	Date issued: 12/10/2017	
		<p>Nonconformance:</p> <p>Annual audiometric test conducted on 20/02/2017 for the mill staff and workers exposed to high noise levels. The audiometric reports of 11 workers indicated as having mild to moderate hearing impairment and recommended to wear hearing protector. No worker have severe hearing impairment (permanent threshold shift). There were 2 workers (one worker at the kernel plant and the other worker at the engine room with standard threshold shift and they were recommended for a re-test within 6 months. The worker at the kernel plant was sent for re-test on 04/08/2017. However, the worker at the engine room was only sent for re-test on 09/10/2017 and audiometric report available on 10/10/2017.</p>	
		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: Lack of supervision and follow up to ensure worker sent to the medical test.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> 1. To provide the audiometric test result. 2. To appoint assistant manager as a person in charge to monitor the audiometric test personally. 3. To highlight the issue during safety meeting to ensure all workers aware on the issue. 	
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted:</p> <ol style="list-style-type: none"> (1) Audiometric tests conducted on 10/10/2017 and results and recommendations from the medical doctor. (2) Safety meeting on 20/10/2017 on the issue and records (attendance list, minutes and photo) of meeting. (3) Appointment of Asst. Mill Manager as Enforcement Officer for safety and health. The corrective actions satisfactorily addressed the non-conformance. 	
		NC status verified by auditor: Closed by OCL	Date closed: 23/11/2017

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		Verification (for effectiveness): Verified that the actions taken were effectively implemented during the on-site assessment in 2018
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NC#	MYNI Indicator	Details of NC		
Major SH-01	5.1.3	Date issued: 12/10/2017		
		Nonconformance: During the visit to the conservation areas at Mayvin 1 Estate, Block 14A, it was found that the streams surrounding the areas were without demarcation for the riparian zone. (Since a Minor NC was raised during ASA-01 on the same indicator, this Minor NC is now upgraded to a Major NC).		
		Root Cause and Corrective Action(s): Root Cause: Lack of monitoring to ensure all riparian area was provided with adequate demarcation. Corrective Action: 1. Immediate demarcation at affected area. 2. Reminder letter to Environment Liaison Officer. 3. Refresher training regarding the requirement of riparian buffer zone for Assistant / Staff / Mandore. 4. Sustainability Department to issues reminder letter to Mayvin Group to ensure the no recurrence issue happen in the future.		
		Verification (Corrective Action): Off-site verification carried out confirmed the following evidences submitted: (1) Photo of the demarcation of the riparian zone. (2) Training conducted on 13/10/2017 for Estate Manager, Asst. Managers and field staff and records (training materials, attendance list and photo) of training. (3) Reminder letters. The corrective actions satisfactorily addressed the non-conformance.		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 30%;">Date closed: 23/11/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 23/11/2017
		NC status verified by auditor: Closed by OCL	Date closed: 23/11/2017	
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NC#	MYNI Indicator	Details of NC
Major MNM-01	6.5.2	Date issued: 12/10/2017
		Nonconformance: The work permit of a group of foreign workers (Indonesian) expired since Jul 2017 at Mayvin 1 Estate and Tangkulap Estate. An agent had been appointed for by the estates for the renewal process. However, there was no evidence that the renewal applications were submitted to the immigration department.
		Root Cause and Corrective Action(s): Root Cause: Lack of communication between estate, HR department, MNK, and Immigration Department to ensure all supporting evidence is available at the estate office. Corrective Action: 1. To get evidence from immigration department on the renewal progress. 2. HRD to establish monitoring data for passport/work permit renewal progress. 3. HRD to distribute the procedure of passport/work permit renewal to estate. 4. HRD to conduct training on the procedure of passport/work permit renewal. 5. Estate to prepare monitoring form on passport/work permit renewal and movement record.

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		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted:</p> <p>(1) Records of payment from Agensi Pekerjaan MNK Sdn Bhd. and immigration Dept.</p> <p>(2) Monitoring of passport renewal and movement of workers data.</p> <p>(3) Flowchart of Passport Renewal</p> <p>(4) Training on Passport/Work Permit Renewal and Monitoring conducted by HR Department on 24 Nov 2017 to relevant staffs (attendance lists, training material and photos).</p> <p>The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 27/11/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 27/11/2017
NC status verified by auditor: Closed by OCL	Date closed: 27/11/2017			
		<p>Verification (for effectiveness): Verified that the actions taken were effectively implemented during the on-site assessment in 2018</p>		

NC#	MYNI Indicator	Details of NC		
Minor OCL-01	4.2.3	Date issued: 12/10/2017		
		<p>Nonconformance:</p> <p>Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels. Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency.</p> <p>At Mayvin 6 Estate, the fertilizer recommendations for Jan –Dec 2017 by the Agronomist were based upon the foliar sampling conducted annually beginning 07 Mar 2017 and soil sampling (at 5 years cycle) and analysis results dated 14 Apr 2015. However, the results of the foliar (leaf) analysis were not available as evidence of periodic tissue sampling and analysis to monitor changes in nutrient status.</p>		
		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: Lack of communication between estate and research department to ensure all copy of analysis is also available in estate.</p> <p>Corrective Action: 1. To get the latest record of the foliar sampling from RCS. 2. To issue reminder letter to assistant manager to ensure all record of leaf and soil analysis is available.</p>		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted:</p> <p>(1) Records of leaf sampling.</p> <p>(2) Reminder letter.</p> <p>The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 23/11/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 23/11/2017
		NC status verified by auditor: Closed by OCL	Date closed: 23/11/2017	
<p>Verification (for effectiveness): Verified that the actions taken were effectively implemented during the on-site assessment in 2018</p>				

NC#	MYNI Indicator	Details of NC
Minor SH-01	5.3.3	Date issued: 12/10/2017
		<p>Nonconformance:</p> <p>At the line site of Mayvin 6 Estate, it was found that plastic bottles and household waste were indiscriminately scattered around the area, especially at the backyard and into the drains.</p>

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		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: Lack of follow up action in the issue highlighted in the line site inspection thus lead to the delay in conducting gotong royong.</p> <p>Corrective Action: 1. Immediate cleaning to the area (gotong royong) 2. To prepare a programme for Gotong Royong activity. 3. Reminder letter to estate personnel to ensure no delay in the action taken on the issue highlighted in line site inspection by HA.</p>		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: (1) Photos of immediate cleaning at line site 1, 2, 3 and 4. (2) Annual Programme of monthly "gotong-royong" cleaning activity. (3) Reminder letter. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 23/11/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 23/11/2017
NC status verified by auditor: Closed by OCL	Date closed: 23/11/2017			
		<p>Verification (for effectiveness): Verified that the actions taken were effectively implemented during the on-site assessment in 2018</p>		

NC#	MYNI Indicator	Details of NC		
Minor MNM-01	6.10.3	Date issued: 12/10/2017		
		<p>Nonconformance: Requirement for FFB transporter to provide netting/canvas to cover the FFB delivered from estates to Mill was not documented in contract/agreements.</p>		
		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: The issue were highlighted during meeting but not properly included in the minute meeting so no action taken by the estate.</p> <p>Corrective Action: 1. To send formal letter regarding the instruction of using canvas to all FFB transporter. 2. Estate to monitor their own FFB transporter when delivering FFB to ensure they follow the procedure.</p>		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: (1) Letter of instruction dated 14/10/2017. (2) Checklist for FFB lorry included monitoring of canvas covering. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 27/11/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 27/11/2017
		NC status verified by auditor: Closed by OCL	Date closed: 27/11/2017	
<p>Verification (for effectiveness): Verified that the actions taken were effectively implemented during the on-site assessment in 2018</p>				

3.2.4 Year 2017 (ASA-02): 3 Observations

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark (if any)

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OBS# OCL-01	4.5.1	Mayvin 1 Estate and Tangkulap Estate	<p>There is an IPM Programme for the planting of beneficial plants such as <i>Cassia cobanensis</i> (60%), <i>Turnera subulata</i> (20%), and <i>Antigonon leptopus</i> (20%) for FY 2017/2018. Implementation of the programme documented in the monthly plan that indicate the field number, number of chains planted and location map. The records for the period up to Jun 2017 indicated the “number of chains to be planted”, “actual planted” and “as to date planted” areas. However, the Jul and Sep 2017 records only indicated the number of chains planted each month but did not include the as to date planted areas.</p> <p>The same finding occurred at Tangkulap Estate for the recording of newly planted beneficial plant areas but no latest record of “as to date planted area” (that include existing beneficial plants establishment).</p>	12 Oct 2017	12 Oct 2018	Addressed & closed
OBS# MNM-01	6.5.1	POM and all estates	<p>Salary deduction of passport renewal for foreign workers was approved by Jabatan Tenaga Kerja - Permit Potongan Daripada Gaji Pekerja Seksyen 113(4) Ordinan Buruh (Sabah Bab 67) on Payment for Travel Document Process. However, the payslip wrongly indicated the salary deduction is for work permit instead of passport renewal (as found in the POM and all estates audited).</p>	12 Oct 2017	12 Oct 2018	Addressed & closed
OBS# MNM-02	6.9.3	POM	<p>Gender Committee was established and meeting was conducted on 21/08/2017 and 12/04/2017. One (1) complaint that a few new male workers said nasty words was found to be recorded during the Gender Committee meeting dated 12/04/2017. However, this specific complaint should also be recorded in the “Sexual Harassment Log Book” (Buku Laporan Aduan Gangguan Seksual) with details in accordance with the “Guideline for Gender Consultative Committee (SPO/SDK/S/001-2017, Issue/Rev 1 dated 25/09/2017) Item 3 that required details of report, details of investigation and details of action taken (as found in the POM).</p>	12 Oct 2017	12 Oct 2018	Addressed & closed

3.2.5 Identified Positive Elements

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- 1) The PMU has contributed towards the education of children of estate migrant workers. IOI Corporation has provided has education assistance for more than 2000 children under the HUMANA programme.
- 2) The PMU has contributed towards the local economy and provided proper infrastructure such as roads, housing and sport facilities.
- 3) The PMU has participated in the IOI Sabah region wide stakeholder consultations and meetings held with the Local authorities and communities as part of commitment to CSR activities for the region.

3.3 Feedback Raised by Stakeholders and Findings

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of **IOI Mayvin PMU** operations were sourced. All pertinent feedback issues were reviewed and followed up for verification and these had been accordingly incorporated into the report findings. See table below:

3.3.1 Feedback Raised by Stakeholders: Year 2018

Communication done via **email on 7 Sept 2018** to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: No written feedback received from the Govt. Agencies.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: No written feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Local Communities - Stakeholders' Consultation: Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 12 Oct 2018. A total of 13 stakeholders (2 government agencies, 2 transporter, 7 suppliers, 1 neighbouring estate, 1 shop operator) were present at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions received during interviews and stakeholder consultations: 1. Police Dept. representative: Enforcement for workers on motorbikes to always wear safety helmets at the estate roads as some occasionally seen not wear it. 2. Checks needed on overloading of the FFB trucks as some	The PMU will further communicate and to address the concerns as follows: 1) Management to review and consider the appropriate actions needed to ensure wearing of helmets by bikers. 2) Mill management will continue monitoring to ensure	It was verified during on-site audit that there were evidences of measures are in place which on overall have addressed the concerns raised at the time of audit.	To be followed up during the next Assessment.

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<p>appear to have high stacking on their vehicles.</p> <p>3. To have annual Emergency response training conducted by the Bomba personnel to ensure the ERT team is better prepared in any emergency situations.</p> <p>Positive feedbacks mentioned:</p> <p>1. Road conditions to Mill & Estates are generally well maintained.</p> <p>2. PPE are seen to be worn by workers at the mill and estates.</p>	<p>no overloading of FFB by transporters.</p> <p>3) Management will try to engage of the services of Bomba personnel in future ERT exercises.</p>	<p>Further monitoring will be followed up during the next Assessment.</p>	
<p>Workers and Local Communities - Interviewed: Interviews of sampled staff and workers were also conducted by the auditors during field visits from: 8-12 Oct 2018 at the PMU:</p> <p>Staff/Workers sampling: POM = 9 males, 8 females Estate Offices = 16 males, 12 females Field/sites visit = 20 males, 31 females</p> <p>No issues raised by the sampled staff and workers.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>

3.3.2 Feedback Raised by Stakeholders: Previous – Year 2017

Communication done via email on 07 Sep 2017 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<p>Government Agencies: No feedback received.</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that no response needed.</p>	<p>Nil</p>
<p>Non-Governmental Organizations: No feedback received.</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that no response needed.</p>	<p>Nil</p>
<p>Local Communities - Stakeholders' Consultation: Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 11 Oct 2017. A total of 9 stakeholders (4 government agencies, 2 transporter, 2 suppliers, 1 neighbouring estate) were present</p>			

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<p>at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions received during interviews and stakeholder consultations:</p> <ol style="list-style-type: none"> 1. Positive comments given by the stakeholders. 2. No negative comments. 	<p>No concerns and suggestions from the stakeholders as briefed by the auditors during the closing meeting.</p>	<p>-</p>	<p>-</p>
<p>Workers and Local Communities - Interviewed: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 09 to 12 Oct 2017 at the PMU:</p> <p>Staff/Workers sampling: POM = 14 males, 9 females Estate Offices = 33 males, 18 females Field/sites visit = 33 males, 35 females</p> <p>No issues raised by the sampled staff and workers.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>



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4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

Based on the findings above, IOI Mayvin Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for Palm Oil Mill.

Therefore, it is recommended that the certification of IOI Mayvin Grouping be approved and continued.

Signed for and on behalf of
Intertek Certification International Sdn Bhd

Augustine Loh
Lead Assessor
Date: 14 Feb 2019

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

This is to acknowledge and confirm the assessment visits described in this report and the acceptance of the contents and findings in this assessment report.

Signed for and on behalf of
IOI Plantation Services Sdn Bhd

Mr. Leang Hon Wai
General Manager (Sandakan Region)
Date: 15 Feb 2019

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4.2 INTERTEK- RSPO P&C Certificate details for Mayvin Grouping

Certificate No:	RSPO 926888
Original Start / Issue date:	22 Dec 2015
Expiry date:	21 Dec 2020
New PalmTrace License Start date:	22 Dec 2018
PalmTrace License End date:	21 Dec 2019
Organization (Parent):	IOI Corporation Berhad
Address of Head Office:	Level 28, IOI City Tower 2, Lebuhr IRC, IOI Resort City, 62502, Putrajaya, Malaysia
RSPO Membership No:	2-0002-04-000-00
Plantation Management Unit:	Mayvin Incorporated Sdn Bhd (IOI Mayvin Grouping)
Address of POM:	Mayvin Palm Oil Mill, Telupid, 16km Off Sandakan / Telupid Road at 110 km, WDT No 164, 90009 Sandakan, Sabah, Malaysia
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (MY-NI 2014); RSPO Supply Chain Certification Standards (Jun 2017) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernel
Supply Chain model for POM	Identity Preserved (IP)

Details of the Mill and Supply bases covered by this certificate and the tonnage approved are:

Name	Address	GPS Reference		Mature OP/ Production - ha	Certified / Titled area - ha
		Latitude	Longitude		
Mayvin Palm Oil Mill: Mayvin Incorporated Sdn Bhd Capacity (60 MT/hr.)	Mayvin Palm Oil Mill, Telupid, 16km Off Sandakan / Telupid Road at 110 km, WDT No 164, 90009 Sandakan, Sabah, Malaysia	5°33.329' N	117°13.532' E	-	-
Mayvin 1 Estate	Mayvin 1 Estate, Sandakan / Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia	5°34.910' N	117°13.277' E	1,289	1,610.00
Mayvin 2 Estate	Mayvin 2 Estate, Sandakan / Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia	5°33.522' N	117°13.377' E	994	1,812.81
Mayvin 5 Estate	Mayvin 5 Estate, Sandakan / Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia	5°28.577' N	117°20.408' E	1,586	1,765.18
Mayvin 6 Estate	Mayvin 6 Estate, Sandakan / Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia	5°28.656' N	117°22.581' E	1,683	1,836.82
Tangkalap Estate	Tangkalap Estate, Sandakan / Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia	5°30.162' N	117°15.154' E	1,726	2,277.45

The annual certified tonnages / volumes at the Management Unit are detailed as follows:

Mayvin POM	Annual Tonnages (MT)
Certified FFB	185,517
Certified CPO	40,812
Certified PK	9,740
Supply Chain module	Identity Preserved (IP)

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Appendix A:

Qualifications of Lead Assessor and Assessment Team

Mr. Augustine Loh (AL) – Lead Assessor / Technical Expert

(Palm Oil Mill, Environment, Social, Conservation & HCV area, GAP, IPM, Land Use and Supply Chain)
– Master in Business Administration, USA and Diploma in Maritime Studies, Singapore

Mr. Augustine Loh is an IRCA Third Party Assessment (TPA) Lead Auditor and IRCA Lead Tutor for IRCA ISO 9001 and OHSAS 18001 Lead Auditor Courses as well as Tutor for RSPO Certification Programs and Integrated Management System in Intertek, Malaysia. He has over 25 years of fieldwork and experience in Palm based product survey, supply chain monitoring, inspection and testing. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001, ISO 14001, OHSAS 18001, ISO 22001, ISO 27001, RSPO Principles and Criteria Lead Assessor Course, RSPO Supply Chain Certification and the International Sustainable Carbon Certification (ISCC) Lead Auditor courses. He has also completed the RSPO training on RSPO P&C, RSPO Palm GHG tool, RSPO RED and RSPO NEXT requirements. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Brunei, Thailand, Cambodia and Australia. He is currently the RSPO Regional Program Manager of Intertek Certification International, Malaysia and has performed over 800 auditing days on quality, environmental and safety & health assessments in various sectors including oil palm plantations. He was the RSPO CB Assessment Team Leader / Member which audited several RSPO certified Plantation Management Units since 2009. He was the CB Team Leader in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He is a member of the CB Internal Review Panel for RSPO Assessment reports since 2010. He is also the Lead Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

Mr. Mohd Nazib bin Marwan (MNM) – Assessor / Technical Expert

(Occupational Health & Safety and Social)
– Diploma in Mechanical Engineering

Mr Mohd Nazib Marwan has over 15 years work experience in occupational safety and health sector (since 2003). He has 5 years working experience as Factories and Machinery Inspector with Department of Occupational Safety & Health Malaysia (DOSH) and earlier he has been certified with Certificate for Safety and Health Officer from National Institute of Occupational Safety and Health (NIOSH). He has successfully completed the IRCA accredited Lead Auditor Course in ISO 9001:2008, OHSAS 18001: 2007. He is also an ISO 9001 Lead Auditor and OHSAS 18001 Lead auditor with Intertek, Malaysia and has performed over 400 auditing days on quality, safety and health in various sectors including palm oil industries since 2012. He has successfully completed training in the RSPO P&C, MYNI Lead Assessor course. He is a member of the RSPO Assessment team which audited several RSPO certified Plantation Management Units since 2014. He is also an Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

Mr. Chin Bit Kee (CBK) – Assessor / Technical Expert

(Good Agriculture Practice, Integrated Pest Management and Social)
– BSc in Food Technology, University of Reading, UK

Mr. Chin Bit Kee has more than 20 years working experience in the oil palm plantation, agriculture & social (worker welfare) related field. He has successfully participated in RSPO training conducted internally by Intertek on 17 April 2014 and completed a supervised period of training in practical auditing in agriculture industry and related field, with more than 15 days audit experience in at least 3 audits at different organizations. He has adequate knowledge on Palm Oil sector such as industry fundamentals sustainability, social and OHS issues (e.g. worker welfare issues and social matters such as employment terms, gender issues, worker welfare etc.) environmental matters (e.g. pollution control, conservation of resources). He has successfully completed training in the RSPO P&C, MYNI Lead Assessor course. He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014. He is also an Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

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Appendix B:

Audit Plan (actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
08 October 2018	7.00 am – 1.00 pm	Travel to Mayvin (POM) Office		
	1.00 pm - 2.00 pm	Lunch Break		
	2.00 pm – 2.30 pm	Opening Meeting and Briefing at Mayvin - POM Office (to be attended by representatives from the Estates as well)		
	2.30 pm – 5.30 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
		AL	CBK	MNM
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Mil • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	<ul style="list-style-type: none"> • Review of changes for compliance to revised RSPO P&C, MYNI and RSPO SCC • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification on compliance with Minimum requirements for Multiple Management Units (MMU) 			
5.30 pm – 8.00 pm	Travel to Hotel & Break			
8.00 pm – 9.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		AL	CBK	MNM
09 October 2018	8.30 am – 12.30pm	Site assessment at Estate 1 <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Estate 1 <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estate • P7 New Plantings • P8 Continual Improvement 	Site assessment at Estate 1 <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
		Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Estate 1		
	5.30 pm – 8.00 pm	Travel to Hotel & Break		
	8.00 pm – 9.00 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity
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10 October 2018	8.30 am – 12.30pm	AL	CBK	MNM
		Site assessment at Estate 2 <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Estate 2 <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estate • P7 New Plantings • P8 Continual Improvement 	Site assessment at Estate 2 <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Estate 2		
	5.30 pm – 8.00 pm	Travel to Hotel & Break		
8.00 pm – 9.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		AL	CBK	MNM
11 October 2018	8.30 am – 12.30pm	Site assessment at Estate 3 <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Estate 3 <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estate • P7 New Plantings • P8 Continual Improvement 	Site assessment at Estate 3 <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Site assessment at Estate 4 <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Estate 4 <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estate • P7 New Plantings • P8 Continual Improvement 	Site assessment at Estate 4 <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	5.30 pm – 8.00 pm	Travel to Hotel & Break		
	8.00 pm – 9.00 pm	Team Meeting and Discussion		

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Date	Time	Assessors and Assessment Activity		
		AL	CBK	MNM
12 October 2018	8.30 am – 10.30 am	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement • SCC for POM 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community • Settlers, in the case of independent and organized smallholders. <p>Notes</p> <p>1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment.</p> <p>2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement</p>	
	10.30 am – 12.30 pm	Site assessment at POM or estates to follow up on any specific criteria/areas		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 3.00 pm	Preparation for Closing Meeting		
	3.30 pm – 4.30 pm	Team Meeting and Discussions with Mayvin Management Representative		
	4.30 pm – 5.30 pm	Closing Meeting & Briefing at Palm Oil Mill Office		
	5.30 pm onwards	Travel to Hotel (at Sandakan)		
Date	Time	Assessors and Assessment Activity		
13 October 2018		AL	CBK	MNM
	8.30 am onwards	Return travel via flight to KL / KK		

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Appendix C-1:

Location Map of IOI Mayvin Grouping, Sandakan, Sabah Scale 1: 200 km



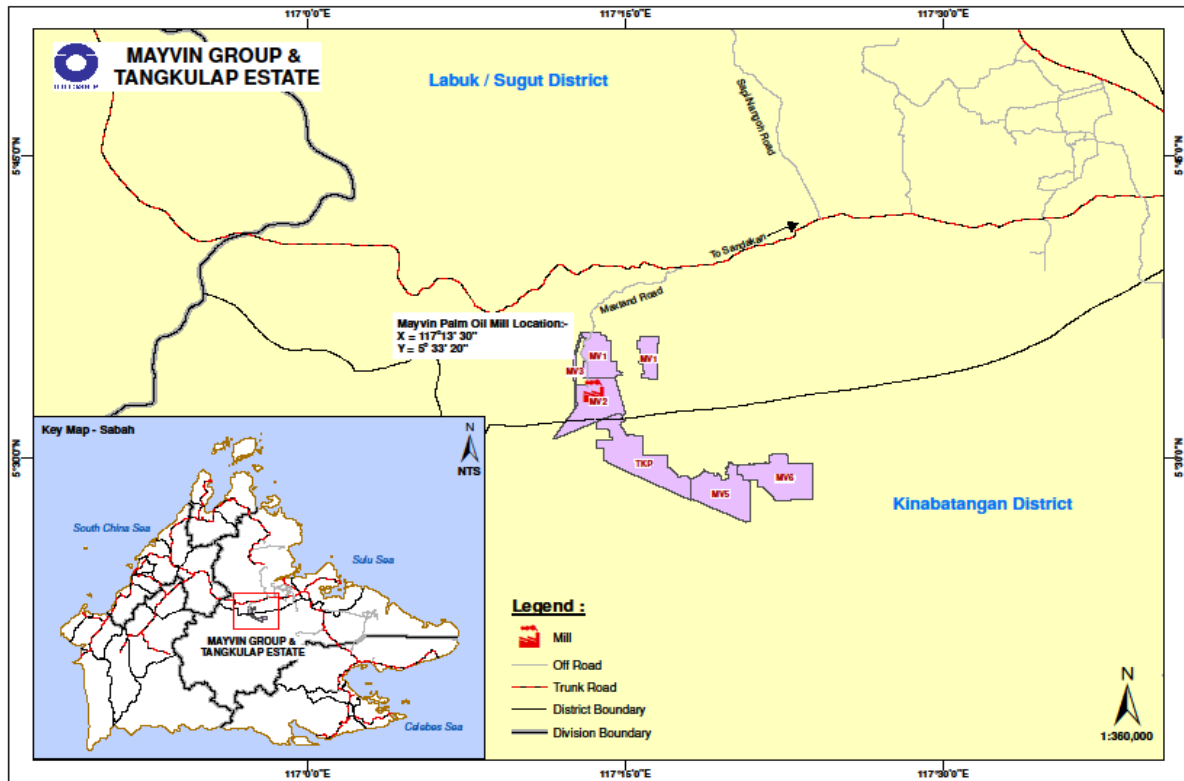
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Appendix C-2:

Location Map of IOI Mayvin Grouping, Sandakan, Sabah, Malaysia

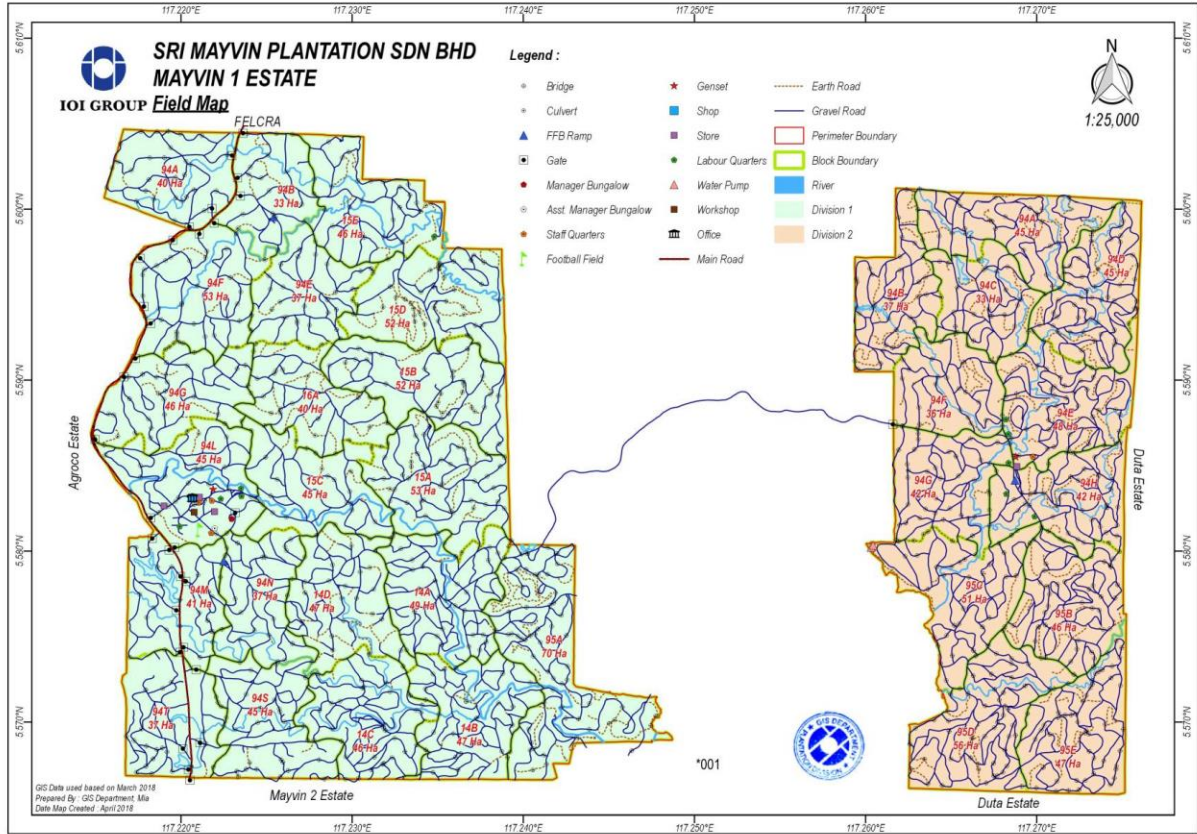


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Appendix C-2-1: Mayvin 1 Estate

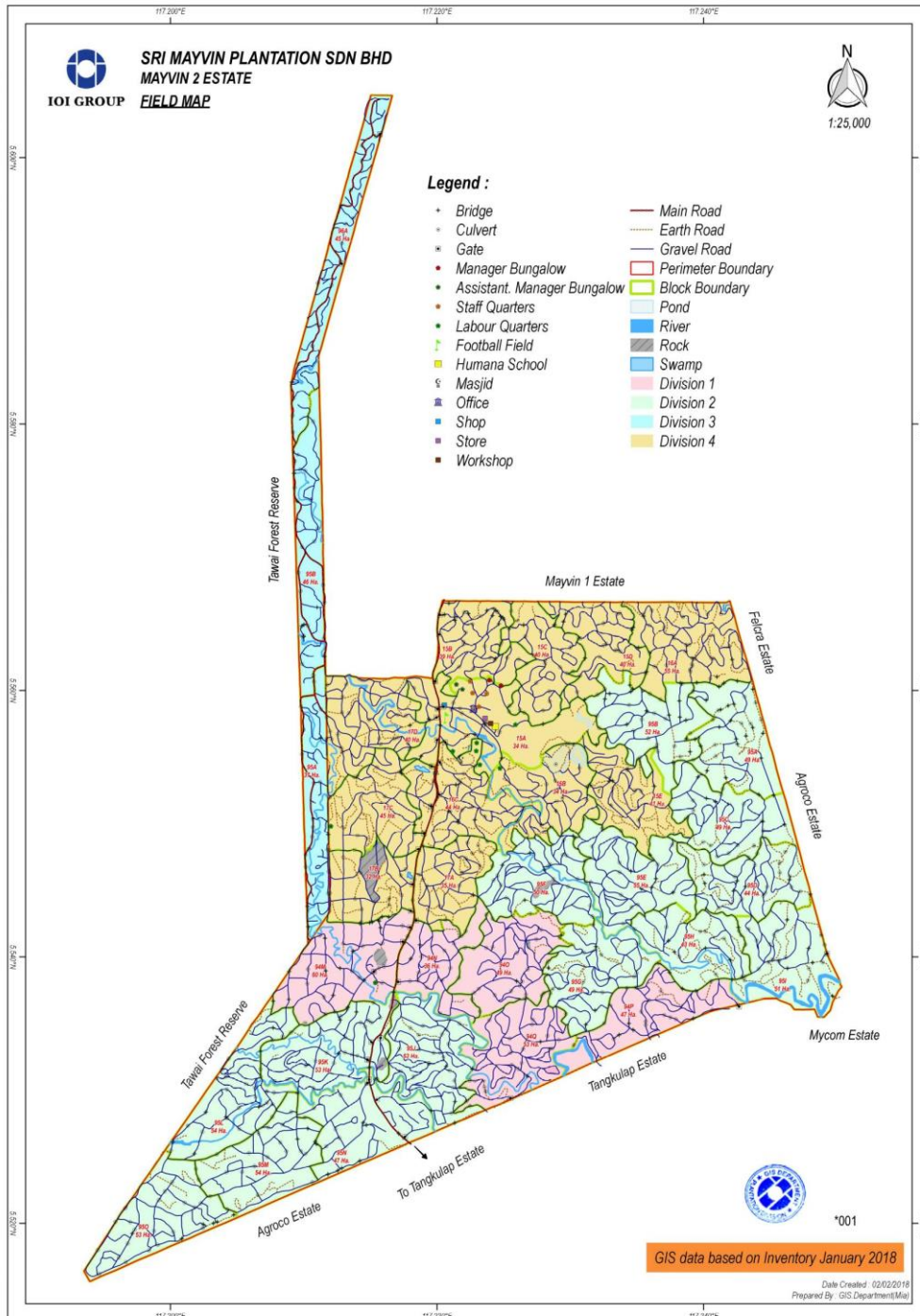


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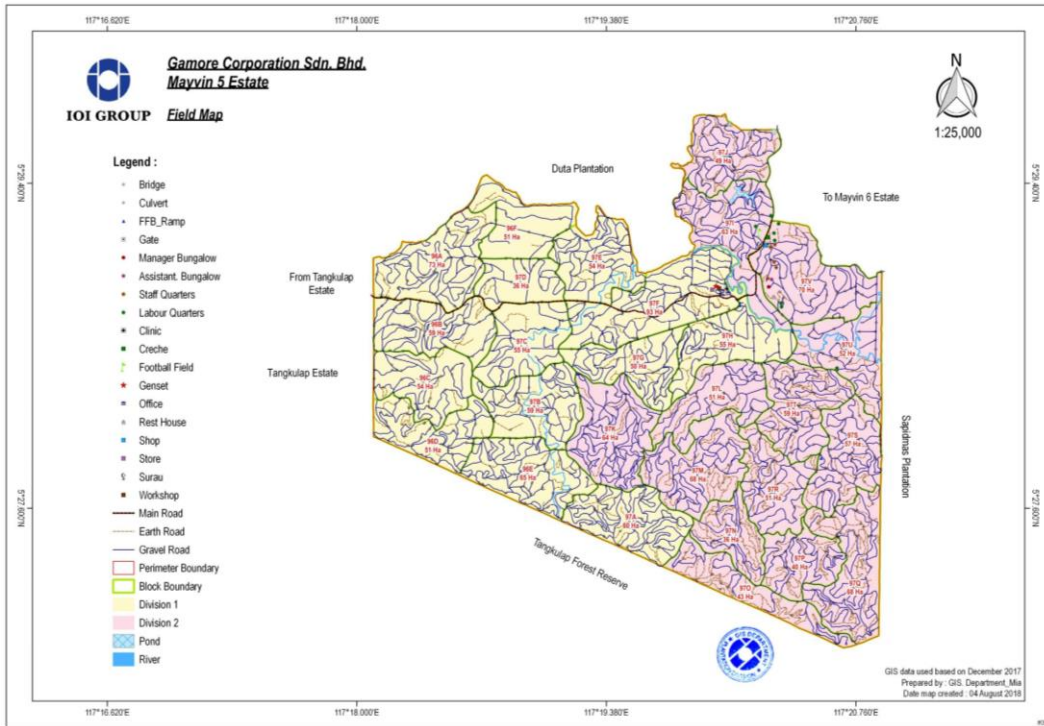
Appendix C-2-2: Mayvin 2 Estate



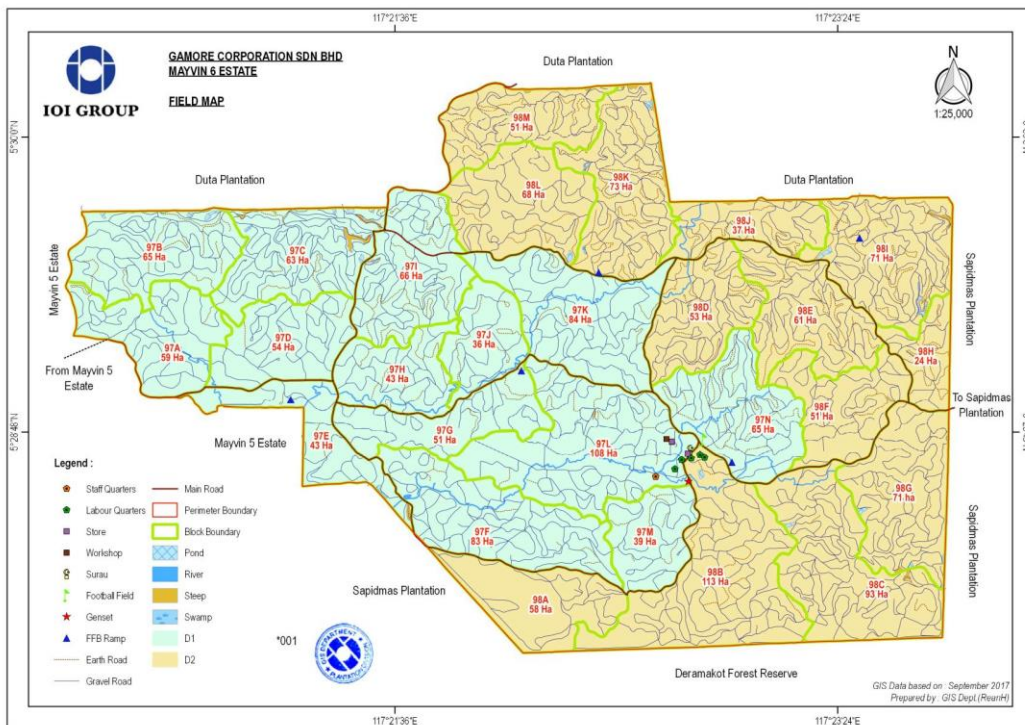
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Appendix C-2-3:
Mayvin 5 Estate



Appendix C-2-4:
Mayvin 6 Estate

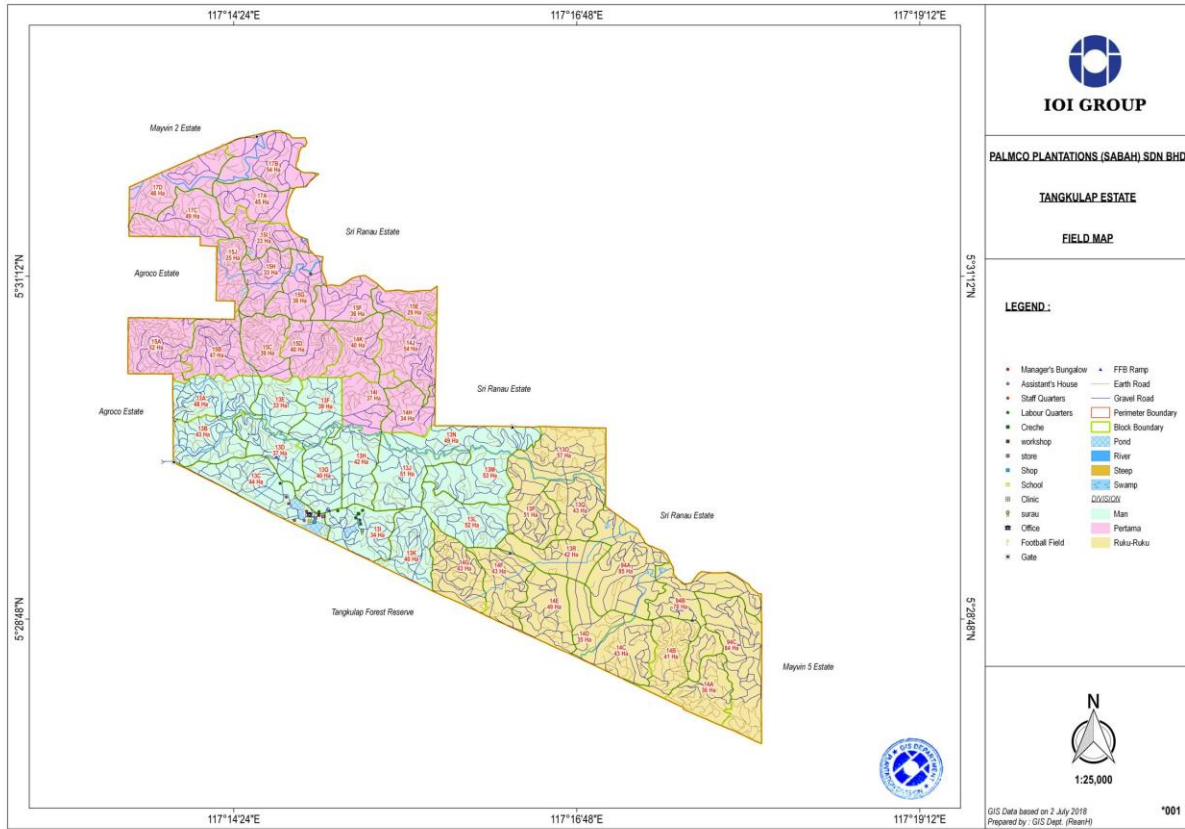


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Appendix C-2-5: Tangkulap Estate



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Appendix D:

Photographs of Assessment Findings at Mayvin PMU

<p>Protection of water pond at Mayvin Palm Oil Mill</p>	<p>Regrowth of natural vegetation at buffer zones - Mayvin 2 estate</p>
<p>Buffer zones and signage at Mayvin 5 estate</p>	<p>Buffer zone and signage at Tangkulap estate.</p>

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Appendix E:

Time Bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (updated 30 Oct 2018)

No	PMU	Main Assessment	Certification Status	Current Status	Updated Information for Multiple Management Units as per RSPO Certification Systems for Principles & Criteria (June 2017) - revised clause 4.5.3 & 4.5.4 for Certified and Uncertified Units.
1.	Pamol (Sabah) POM, Sabah	May 2008	Re-Certified in Dec 2016	ASA-01 cum extension completed in Sept 2017	No outstanding issues
2.	Sakilan POM	Nov 2008	Re-Certified in Mar 2015	ASA-02 completed in Dec 2017	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Re-Certified in 2015	ASA-02 is completed in Dec 2017	No outstanding issues
4.	Gomali POM	Aug 2009	Re-Certified in Aug 2015	ASA-03 completed for Jun 2018	No outstanding issues
5.	Baturong POM	Sept 2009	Re-Certified in Oct 2015	ASA-03 completed in Jul 2018	No outstanding issues
6.	Bukit Leelau POM	Apr 2010	Re-Certified in Nov 2015	ASA-01 completed in Sept 2017	No outstanding issues
7.	Mayvin POM	Aug 2010	Re-Certified in Dec 2015	ASA-02 completed in Oct 2017	No outstanding issues
8.	Pukin POM, Johor	Dec 2010	Certified in June 2012	ASA -01 completed in Mar 2018	No outstanding issues
9.	Leepang (Sabah) POM	Aug 2012	Certified in Dec 2013	ASA-04 completed in Oct 2017	No outstanding issues
10.	Syarimo POM	Sept 2012	Certified in Mar 2013	Re-Certified in Jan 2018	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	Re-Cert done in Jan 2018	No outstanding issues
12.	Morisem POM, Sabah	Sept 2013	Certified in Dec 2013	ASA-04 completed in Sept 2017	No outstanding issues
13.	Unico POM-1, Sabah	Feb 2018	Certified in June 2018	ASA-01 planned in 2019	No outstanding issues.
14.	Unico Desa POM-2, Sabah	Jan 2018	Certified in May 2018	ASA-01 planned in 2019	No outstanding issues.
15.	IOI – Pelita, Sarawak	Planned - 2020	Uncertified Unit	New certification for IOI – Pelita (Sarawak) is pending resolution of land dispute and RSPO decision. No POM yet.	<p>Settlement Discussion with local community is presently still ongoing.</p> <p>Statement in regards of divestment of its 70% equity & IOI commitments on the resolution for the Pelita case can be accessed at www.ioigroup.com</p> <p>Dispute settlement in IOI-Pelita is intensively done together with the ground team. Participatory mapping within IOI-Pelita landscape among the respective communities are planned to be conducted. A mediation process together with Grassroots and other social NGO will be conducted in March 2018 involving Land District Office and Pelita. In addition, Corporate Social Responsibility (CSR) activities is actively being conducted on the ground such as road repairs and providing construction materials to the main local communities in Long Teran Kanan and Long Jegan.</p>

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16.	PT SKS, Indonesia	Planned - 2019	Uncertified Unit	<p>Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental 'Hak Guna Usaha' (HGU) application in progress</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment –Final verification by RSPO CP was conducted in end of January 2018.</p> <p>Final report on the feedback from the verification visit is expected to be shared to IOI in March 2018</p> <p>Certification preparations in progress.</p> <p>Pending issuance of HGU</p>
17.	PT BNS, Indonesia	Planned - 2019	Uncertified Unit	<p>Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental HGU application in process.</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment –Final verification by RSPO CP was conducted in end of January 2018.</p> <p>Final report on the feedback from the verification visit is expected to be shared to IOI in March 2018</p> <p>Certification preparations in progress.</p> <p>Pending issuance of HGU</p>
18.	PT BSS, Indonesia	Planned - 2019	Uncertified Unit	<p>Acquired in 2009 (new concession land). No POM yet, still in development phase. Governmental 'Hak Guna Usaha' application in progress.</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment –Final verification by RSPO CP was conducted in end of January 2018.</p> <p>Final report on the feedback from the verification visit is expected to be shared to IOI in March 2018</p> <p>Certification preparations in progress.</p> <p>Pending issuance of HGU</p>
19.	PT KPAM, Indonesia	Planned - 2020	Uncertified Unit	<p>Acquired in 2010 (new concession land). No POM planned yet, all necessary permits are up to date.</p>	<p>HCV Assessment report has been sent to HCVRN on 20th November 2017. Received Letter of Satisfactory from HCVRN on 25th November 2017</p> <p>Currently at the stage of final verification by Certification Body before the final submission to RSPO.</p> <p>IOI Public statement on PT KPAM – June 2018 http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=882</p>

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Appendix F:

Summary of RSPO CP decisions and RSPO Case Tracking on IOI Group (updated till 30 Oct 2018)

1) Monitoring by RSPO Complaints Panel (CP)

Weblink: <http://www.rspo.org/members/status-of-complaints?keywords=IOI&country=&category=>

2) Latest updates and progress made noted as follows:

i) RSPO Case Tracker on: PT SUKSES KARYA SAWIT (SKS), PT BERKAT NABATI SAWIT (PT BNS), PT BUMI SAWIT SEJAHTERA (PT BSS) SUBSIDIARY OF PT SAWIT NABATI AGRO (PT SNA), (subsidiaries' of IOI Group)

Weblink: <http://www.rspo.org/members/complaints/status-of-complaints/view/80>
<https://askrspo.force.com/Complaint/s/case/50090000028Erz8AAC/detail>

24 Jan – 18 Jun 2018 (CP Meetings):

Verification exercise on 25–29 Jan 2018. Secretariat to follow up with the verification team. Verifications, monitoring and post verifications done on field and reports reviewed/

12 July 2018 (CP Meeting):

CP Final decision letter issued to IOI

26 Sept 2018 (CP Meeting):

CP Decision – case closed and transferred to IMU for monitoring.

ii) RSPO Case Tracker on: IOI Pelita Plantation Sdn Bhd, Sarawak (subsidiary of IOI Group)

Weblink: <https://www.rspo.org/members/complaints/status-of-complaints/view/4>
<https://askrspo.force.com/Complaint/s/case/50090000028ErzqAAC/detail>

24 January 2018 – 12 Jun 2018 (CP Meeting):

Secretariat meetings with the Company and Grassroots to discuss the revision to the Action Plans.

22 Jun 2018 (CP Meeting):

Grassroots formally withdraws as complainant (Withdrawal letter submitted to RSPO CP)

28 Sept 2018 (CP Meeting):

Company in the process of seeking consent of communities to the Resolution Plan. Company had also requested for the return of its deposited amount with the Secretariat for prior mediation and capacity building plans which did not take off. The Complaints Panel has no objections to the return and the Secretariat will follow up with the Company.

3) Updated IOI Group Newsletters and Corporate Communications

Weblink: http://www.ioigroup.com/Content/NEWS/N_Archive

Sept 2017: IOI submitted its Sustainability Report

http://www.ioigroup.com/Content/S/S_Policy

IOI uploaded the Social Responsibility report by BSR

<http://www.ioigroup.com/Content/S/PDF/BSR%20Summary%20Report.pdf>

31 Oct 2017: IOI Group Revised Policies on Human Rights at Workplace.

<http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=856>

12 Jan 2018: IOI Group on IOI Pelita Plantation Sdn Bhd, Sarawak

<http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=869>

29 Jan 2018: IOI Group – Sustainability Progress Update (Oct-Dec 2017) Quarterly Report

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http://www.ioigroup.com/Content/S/PDF/20180126_Quarterly%20Sustainability%20Update_F.pdf

30 July 2018: IOI Group – Sustainability Progress Update (Apr- June 2018) Quarterly Report

http://www.ioigroup.com/Content/S/PDF/Quarterly%20Sustainability%20Update_20180730_final.pdf

30 Oct 2018: IOI Sustainability Implementation Plan – Quarter 3.

https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/Overall%20SIP_Q3%202018.pdf

30 Oct 2018: IOI Sustainability Progress update (July- Sept 2018)

<https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/QSU%202018%20Q3.pdf>

-End-