

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT

Pamol (Sabah) Grouping

Sandakan, Sabah, Malaysia



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Assessment Report

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INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9309/16-3 IOI Corporation Berhad
Pamol (Sabah) Grouping: ASA-02

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ANNUAL SURVEILLANCE ASSESSMENT ON RSPO CERTIFICATION

PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT

Pamol (Sabah) Grouping
Sandakan, Sabah, Malaysia

Certificate No:

Issued date:

Expiry date:

RSPO 930988

30 Nov 2016

29 Nov 2021

Assessment Type

Initial Assessment

Annual Surveillance Assessment (ASA-01)
cum Extension of Scope

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

Assessment Dates

04-08 Oct 2016

11-15 Sept 2017

18-22 Sept 2018

Intertek Certification International Sdn Bhd

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Annual Surveillance Assessment was conducted on the Plantation Management Unit (PMU) Pamol (Sabah) Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from **18-22 Sept 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 Pamol (Sabah) Grouping consists of one (1) palm oil mill, namely Pamol (Sabah) Palm Oil Mill and seven (7) estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The 7 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
Pamol Estates (Sabah) Sdn Bhd - Palm Oil Mill (Capacity: 51 MT/hour)	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°00'08.75"	E 117°23'54.20"
1. Ulu Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°00'19.76"	E 117°23'44.70"
2. Bayok Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°59'46.50"	E 117°26'27.74"
3. Rungus Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°59'59.82"	E 117°20'33.04"
4. Tindakon Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°57'48.02"	E 117°20'54.78"
5. Nangoh Estate	Milik Berganda Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702 Sandakan, Sabah, Malaysia	N 05°57'19.48"	E 117°17'17.92"
6. Meliau Estate	Milik Berganda Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702 Sandakan, Sabah, Malaysia	N 05°56'04.49"	E 117°14'54.89"
7. Sugut Estate	Pamol Plantations Sdn Bhd, Mile 200, Nangoh Paitan Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°13'15.10"	E 117°29'41.82"

1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Pamol (Sabah) Grouping PMU are from the abovementioned 7 estates owned by IOI. 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 Pamol (Sabah) 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
1. Ulu Estate	1,836.93	1,680	1,836.93	1,673
2. Bayok Estate	2,209.93	1,874	2,209.93	1,874
3. Rungus Estate	2,598.22	2,467	2,126.86	1,972
4. Tindakon Estate	1,579.35	1,507	2,089.70	1,954
5. Nangoh Estate	2,279.35	1,864	2,279.35	1,860
6. Meliau Estate	2,998.65	2,677	2,998.65	2,671
7. Sugut Estate	1,792.34	1,506	1,792.34	1,506
Total:	15,294.77	13,575	15,289.77	13,510

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 reserves/zones and high conservation value areas.

1.4 Summary of plantings and cycle

The 7 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
Ulu Estate	1991-1998	1 st	198	0	198
	2007-2012, 2014-2015	2 nd	1,297	178	1,475
S-total			1,495	178	1,673
Bayok Estate	1997-1999	1 st	570	0	570
	2002-2009, 2011-2013	2 nd	1,304	0	1,304
S-total			1,874	0	1,874
Rungus Estate	1995-1998	1 st	1,248	0	1,248
	2002-2009, 2014	2 nd	724	0	724
S-total			1,972	0	1,972
Tindakon Estate	1995-1998	1 st	840	0	840
	2007-2014, 2015, 2018	2 nd	793	321	1,114
S-total			1,633	321	1,954
Meliau Estate	1995-1996	1 st	2,500	0	2,500

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	2016	2 nd	0	171	171
S-total			2,500	171	2,671
Nangoh Estate	1993-2000, 2004-2005	1 st	1,107	0	1,107
	2014, 2015-2018	2 nd	186	567	753
S-total			1,293	567	1,860
Sugut Estate	1997-2002, 2006-2008	1 st	1,506	0	1,506
	-	-	-	-	-
S-total			1,506	0	1,506
G-Total			12,273	1,237	13,510

Note: There has been no New Planting in any of the 7 estates at the certified areas.

1.5 Summary of Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in Pamol (Sabah) 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)	13,510
	- OP Mature (Production)	12,273
	- OP Immature (Non-Production)	1,237
	- OP Planted on Peat	0
	- Other crop such as Rubber etc.	0
2	Conservation Area (ha)	
	Conservation areas include the hectarage of riparian zones and buffer zones at rivers and streams and buffer areas near forest reserves as demarcated at the estates.	1,164.31
3	HCV Area (ha)	
	Areas which have HCV values as defined under HCV 1 to 6	32.38

Notes:

1. HCV area includes swampy areas such as at Bayok and Tindakon estates that are left undisturbed as wildlife habitats.

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1.6 Other certifications held and Use of RSPO Trademarks

Currently, the other certification held by IOI Pamol (Sabah) 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.

1.7 Organizational information / Contact Person

At Head Office:

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Sustainability Manager
IOI Corporation Berhad
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Email: raymond.alfred@ioigroup.com

At Pamol (Sabah) Grouping - PMU:

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General Manager – Sandakan Region,
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 Pamol (Sabah) Grouping based on the actual tonnages for the FY indicated is as in Table 5 below:

Table 5: Tonnages Verified for Certification (Jul 2017 - Jun 2018)

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Mill	Certified By
1.	Ulu Estate	36,619.34	Pamol (Sabah) POM	Intertek
2.	Bayok Estate	46,347.86	Pamol (Sabah) POM	Intertek
3.	Rungus Estate	46,244.12	Pamol (Sabah) POM	Intertek
4.	Tindakon Estate	42,353.56	Pamol (Sabah) POM	Intertek
5.	Nangoh Estate	33,174.56	Pamol (Sabah) POM	Intertek
6.	Meliau Estate	70,731.97	Pamol (Sabah) POM	Intertek
	Total (under PMU):	275, 471.41 (see note)		
7.	Sugut Estate	32,263.57 (see note)	IJM Sabang 1 POM	Nil
	Other Suppliers:	0		

Note: The Certified FFB from Sugut Estate are sent for processing at IJM Sabang 1 POM and are currently not processed at Pamol (Sabah) POM due to the long distance from Sugut Estate to Pamol (Sabah) POM. The FFB are therefore excluded from the total FFB processed by Pamol (Sabah) POM.

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

Table 6: Annual Tonnages of FFB

Estate / Supplier	FFB Processed in Year 2017 - Actual		FFB Processed in Year 2018 - Actual		FFB for processing in Year 2019 - Projected	
	MT	%	MT	%	MT	%
Grouping estates: (certified)	262,917.76	100	275,471.41	100	285,000	100
External Suppliers: (certified)	0	0	0	0	0	0
External Suppliers: (non-certified)	0	0	0	0	0	0
Total	262,917.76	100.0%	275,471.41	100.0%	285,000	100.0%
SCCS Model for POM	IP		IP		IP	

Note: The expected certified FFB from Sugut estate (under Pamol grouping) is not included as crop diversion and processing at IJM Sabang POM 1, is still expected for the projected period in 2019.

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

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

POM	Year 2017 - Actual		Year 2018 - Actual		Year 2019 - Projected	
Total Certified FFB Processed (MT)	262,917.76		275,471.41		285,000	
Total Certified CPO Production (MT)	55,682	OER: 21.18%	56,710	OER: 20.59%	62,700	OER: 22.00%
Total Certified PK Production (MT)	11,565	KER: 4.40%	11,945	KER: 4.34%	12,825	KER: 4.50%

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.**

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.

To date 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.

On overall, IOI Group had declared its commitment to complete RSPO certifications on all its 'non-certified' units, targeted by 2020.

In addition, IOI Group had also submitted a positive assurance statement to assure its commitment to continued compliance with RSPO requirements for all its certified and non-certified units.

IOI had conducted an internal audit on the uncertified units to determine its compliance against Clause 4.5 (Minimum requirements for multiple management units) of the RSPO Certifications Systems for Principles & Criteria (Jun 2017). The Internal audit reports had identified the issues involved, on-going corrective actions and monitoring.

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

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 and recorded against the IOI Group units are duly considered prior to conducting any new or ongoing certification assessments.

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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	StOP	Standard Operating Procedure

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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 10 Aug 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 Pamol (Sabah) Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 18-22 Sept 2018, the Assessment team of Intertek conducted the Annual Surveillance Assessment (ASA-02) in which 4 out of the 7 estates of Pamol (Sabah) Grouping, namely Meliau, Nangoh, Bayok and Rungus estates as well as 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 ($z = 1.4$) 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 sensitive 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).

Pamol (Sabah) 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 10 Aug 2018. Stakeholder feedbacks and comments received on the PMU had been satisfactorily followed up, responded and addressed as verified during current assessment. For follow up and verification done for previous and current stakeholder consultation, refer to section 3.3 .	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 the estates in grouping (except for Sugut estate), had conducted the joint external stakeholders’ consultations were held on 28 Aug 2018. A separate external stakeholders’ consultation for Sugut estate was conducted on 6 Sept 2018 due to its far distance from the POM and other estates in grouping. Records of participants, feedback given and response/actions by the POM and estates were available and maintained.	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

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<p>1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to:</p> <p>Major Compliance</p>	<p>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.</p> <p>On 8 Aug 2016, IOI Corporation Berhad published a revised Group Sustainable Palm Oil Policy (SPOP) alongside a detailed Sustainability Implementation Plan (SIP) in consultation with a wide range of their stakeholders, both customers and civil society.</p> <p>IOI Corp. Bhd. further revised its Sustainable Palm Oil Policy (SPOP) and this was uploaded in the company website on 12 Jun 2017.</p> <p>http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845.</p> <p>Verified during current assessment that the revised IOI SPOP and revised HR at Workplace policies were adequately communicated and understood by the various levels of the employees via briefing records maintained and random interviews with the employees. Briefings were conducted as follows:</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.</p> <p>Continual Improvement Action Plans were reviewed and updated for next FY2018/2019 which include targets for waste reduction and pollution prevention.</p>	<p>Complied</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. Original copies were kept at HQ, Putrajaya.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Policy and HIRAC was documented for the POM and estates. The HIRAC were respectively reviewed in Jan and Feb 2018.</p> <p>Detailed Safety Management Plans have been documented and updated by the Safety & Health Manager and reviewed by the respective managers for the POM and estates.</p> <p>The Plans include the following:</p> <ul style="list-style-type: none"> • Safety & Health Committee meetings, • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, 	<p>Complied</p>

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	<ul style="list-style-type: none"> • Chemical Register, • SOP for safe work, • PPE usage, • MSDS/CSDS, • JKKP 8 reporting of accidents annually, • Emergency Response Plan (ERP), • Emergency drills, • 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>CHRA report for POM is valid till Mar 2020 whilst for the Estates is valid till Sept 2021.</p> <p>Personnel were sent for medical surveillance checks between April and Aug 2018 and had included those in the Lab, Workshop, Storekeepers and Field Workers as identified in the respective CHRA reports.</p> <p>Recommendations for medical follow up were also done at the POM clinic and respective Estate clinics by the VMO & EHA and records in monthly routine check on general health issues were maintained. Additional medical checks for workers with dietary problems were provided at the Govt Clinic, Nangoh.</p> <p>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 have been conducted and were annually reviewed between Mar and Aug 2018.</p> <p>Management Plan and Continual Improvement Plan documented and implemented.</p> <p>Social Impact Assessment for the POM and estates were conducted and reviewed between July and Aug 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 respective estates were reviewed in Aug 2018.</p> <p>The Management Action Plans were implemented and monitored 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 together in the Environmental Impact Assessment for the POM and estates.</p> <p>Action items include mitigation measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/domestic wastes disposal, reuse and recycling (paper, plastic, glass, scrap iron).</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. Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.</p>	Complied

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	<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>	
<p>• Negotiation procedures (Criterion 6.4);</p>	<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
<p>• Continual improvement plans (Criterion 8.1);</p>	<p>Continual Improvements Plans in key operations for the mill and estates have been identified, documented and implemented.</p>	Complied
<p>• Public summary of certification assessment report;</p>	<p>Public summary of certification assessment reports are available from the company upon request.</p>	Complied
<p>• Human Rights Policy (Criterion 6.13).</p>	<p>The Human Rights Policy has been documented and incorporated as part of the Sustainability Palm Oil Policy revised on 08 Aug 2016 and signed by the Group CEO.</p> <p>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>IOI Group had also revised its Policies on Human Rights at Workplace as uploded in the company website on 31 Oct 2017 http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=856</p> <p>For the summary of updates made – refer to Appendix F.</p>	Complied
<p>Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</p>		
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.</p> <p>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 	Complied

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	<p>Environment,</p> <ul style="list-style-type: none"> - Data Privacy - Employee Privacy in the Communication and Computing Environment - Gifts, Benefits or Entertainment, - Bribes and Kickbacks, - Employment of Family Members and Relatives. <p>Copies of the policy found to be displayed at prominent locations in the POM and estates.</p>	
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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
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p> <p>Major Compliance</p>	<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>Complied</p>

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	<p>Legal documents (work permits, passports) of foreign workers in the estates. Insurance coverage is available for foreign workers in the estates.</p> <p>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>	
<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 (Department of Irrigation and Drainage), Forestry Department and Wildlife Department 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>The PMU had conducted internal audit on 01/06/2017 using the RSPO Generic Checklist for determining compliance of its operations with legal requirements and records were maintained.</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. The original copies are maintained by the Corporate Head office in Putrajaya. The legal use of the land confirmed to be for cultivation of oil palms and agricultural use.</p> <p>The land titles had indicated legal transfer from the previous owners back in 1987-1989 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>	Complied

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	Verified that there are has been no changes to the land ownership or new land acquisition since the last assessment.	
<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. 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. Locations of several boundary stones and markers were visited and verified to be within the perimeters of the estates. 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). 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 currently not required to be applied.</p>	Not applicable
<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. Major Compliance</p>	<p>There were no land conflicts in this PMU.</p>	Not applicable
<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). Minor Compliance</p>	<p>No land disputes in this PMU. As such the process of participatory mapping is not applicable for verification of implementation.</p>	Not applicable
<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. Major Compliance</p>	<p>No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	Not applicable
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</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). Major Compliance</p>	<p>The lands at the PMU are legally owned or leased by IOI and it is verified that there were no other users or affected parties in the land areas. There is no dispute on the land rights in the PMU. See also 2.2.1 The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping was not required. The maps are re-surveyed and updated by IOI- GIS Dept. when changes are made such as after completion of replanting programs at the estates. Verified that NC # OCL-01 (2017) issued on maps and boundaries was satisfactorily addressed and closed.</p>	Complied

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<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 at the PMU are legally owned or leased by IOI. Records are available to show such land acquisition comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>
<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>No cases of land claims in this PMU. As such this process is not applicable for verification.</p>	<p>Not applicable</p>
<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>This process is not applicable during current assessment.</p>	<p>Not applicable</p>

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

<p>Criterion 3.1 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>Business Plans for 5 years (FY 2017/2018 to FY 2021/2022) for the PMU have been prepared by the Palm Oil Mill and respective estates.</p> <p>Details of the Business Plans include the following:</p> <p>(1) Staff and Labour requirements;</p> <p>(2) Crop projection; FFB yield/ha trends;</p> <p>(3) Mill extraction rates; OER trends;</p> <p>(4) Cost of Production; Cost/mt FFB trends;</p> <p>(5) Cost of Production; Cost/MT CPO trends;</p> <p>(6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.).</p>	<p>Complied</p>

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	<p>(7) Provisions for sustainability efforts and improvement programmes (environmental, social, Occupational Safety & Health, training, etc.).</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>There is evidence of monitoring of costs against budget to achieve specified targets.</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 HQ.</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.</p> <p>Minor Compliance</p>	<p>Annual replanting program had been prepared up to FY 2022/2023 for the audited estates as follows: Meliau: Ongoing replanting till 2019/2020 Nangoh: Replanting from 2021/2022 onwards Rungus: Replanting from 2021/2022 onwards Bayok: Ongoing replanting till 2019/2020 A replanting cycle of 25 years has been adopted by the group.</p>	<p style="text-align: center;">Complied</p>

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.</p> <p>Major Compliance</p>	<p>POM has documented SOPs for the following :</p> <ol style="list-style-type: none"> 1. Palm Oil Mill Operation from reception of FFB until the delivery of processed oil and POME management. 2. Laboratory Operation Manual (Issue 1 dated 01/02/2008). 3. Quality, Environmental and Occupational Health & Safety Manual and Procedures of Palm Oil Mill - The SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling. 4. Procedure for Safe Work and Management of Safety and Health for Workers - The SOP for safe working practices in the POM includes hazards identification, risk assessment and control measures. The hazards include noise, chemicals, heat, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training, etc. and “permit to work system” for the mill. 5. SOP for Mill RSPO Supply Chain Certification System using the Identity Preserved (IP) module. <p>The estates have the following SOPs:</p> <ol style="list-style-type: none"> 1. Sustainable Oil Palm Estate Operation Manual - The manual describes operational procedure of nursery practices, land preparation, planting practices, ground cover maintenance, roads, immature stage, harvesting, collection of bunches, manuring, pesticide application, pests & diseases control. The SOP for pesticides specifies safe working practices and application of pesticides. It includes annual medical surveillance for pesticides operators. 2. SOP for riparian zone management with specified buffer zones. 	<p style="text-align: center;">Complied</p>

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	Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.	
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p>	<p>There is a mechanism to check the implementation of the SOPs. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work, and these records are checked by the Assistant Manager and the Manager regularly. These records had been verified to indicate satisfactory implementation during the visit.</p> <p>Internal audits were conducted between 5 and 10 Sept 2018. Observations were raised and closed by SPO team. Outcome of Internal Audit was reviewed in the Management review conducted on 12 Sept 2018.</p>	Complied
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory.</p> <p>Daily Muster Chits were available at estates and actual field activities were verified during on-site field inspection.</p> <p>Verified that spraying, manuring and harvesting activities were carried out as stated in the Muster Chits.</p>	Complied
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p>	<p>The Pamol mill did not source any FFB from third-party. The entire crop was supplied by the estates from certified PMUs of IOI Group.</p> <p>It is noted that the entire FFB from the Sugut estate is currently sent to IJM Sabang 1 POM (over past 12 months) due to the far distance of Sugut estate to Pamol mill.</p>	Complied
<p>Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>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</p>	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by Agronomist of IOI Research Centre, Sabah.</p> <p>Good Agricultural Practice (GAP) for minimization of soil erosion and maintenance of soil fertility are maintained via the frond stacking and fertilizer application as per the recommendations provided by the Agronomist.</p> <p>These had been verified through the records for fertilizer application. Estates provided the evidence of GAP and was verified during the audit.</p> <p>Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels.</p>	Complied
<p>4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance</p>	<p>Records of fertilizer application at the estates were available and verified to be satisfactorily maintained.</p>	Complied
<p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance</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.</p> <p>Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency.</p> <p>Records of the sampling and analysis had been verified to be satisfactorily maintained.</p>	Complied

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<p>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</p>	<p>Geotubes used to filter the solid from the POME and the solid would be used by the estates for field application as fertilizer. There was no application of POME at the estates. 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. EFB Mulching Application Programme and field maps indicate the amounts and locations of EFB application in the estates. During field visits to the estates, it was observed that EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms. The EFB were observed to be spread in single layers as per SOP.</p>	<p>Complied</p>
<p>Criteria 4.3 Practices minimise and control erosion and degradation of soils.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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. Main soil types as indicated in soil maps are as follows: Meliau: Brantian, Tuaran, Kinabatangan, Dalit Nangoh: Tuaran, Kinabatangan, Klias, Brantian, Silabukan Bayok: Brantian, Tuaran, Kinabatangan, Dalit Rungus: Tuaran, Kinabatangan, Brantian, Silabukan, Dalit</p>	<p>Complied</p>
<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 and New Road Map by Block. Best Management Practices are followed to control and minimize soil erosion and degradation during replanting or any activities involving earth disturbance. Steps taken for erosion control are 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>	<p>Complied</p>
<p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</p>	<p>Road maintenance programme verified to be established and implemented. Estate roads at sites visited were noted to be maintained and are in satisfactory condition. However, a non-compliance was issued as below: Location: Bayok Estate: During field inspection, several stretches of field roads at field blocks visited were found to be having many potholes, spillages of FFB and EFB were noted at those stretches. Road maintenance programme was available for 2018 /2019 but the maintenance done for the said field roads were found to be inadequate and behind schedule.</p>	<p>Minor NC: AL-01</p>
<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>	<p>Complied</p>
<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 in the estates as confirmed during on-site assessment.</p>	<p>Not Applicable</p>

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<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 these estates.</p>	<p>Not Applicable</p>
<p>Criteria 4.4 Practices maintain the quality and availability of surface and ground water.</p>		
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 was verified to be in place for the palm oil mill and estates. Rainfall data found to be monitored as part of the water management plan. Rain water is also harvested.</p> <p>The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.</p> <p>Water is extracted from rivers passing through the estates. Water samples collected and analysis carried out at least twice a year. The water for domestic use meets all the required parameters, including that of bacterium count (WHO Specification for Drinking Water Quality).</p> <p>An observation was raised as follows: Location: Meliau, Nangoh, Bayok and Rungus estates</p> <ol style="list-style-type: none"> 1. The water management plan produced was generic in nature and is not site specific. 2. Water samples for quality analysis, at the inlet and outlet of stream/river passing through the estates was not conducted i.e. Sungai Padau Lawan, Sungai Padau Madau, Sungai Paliau, Sungai Wanyang, Sungai Kimansi and Sungai Tungod. It is noted that the water sampling analysis conducted by the EIA consultant was for replanting purpose. 3. At some sites, there was no marking for the water sampling points, both on the field and on the maps. 	<p>Minor NC: SH-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>Buffer zones had been maintained on both sides of rivers and streams in the estates as verified during on-site field inspection. No evidence of spraying around palms marked as boundary for the buffer zones.</p> <p>Appropriate signages were placed with demarcation of buffer zone area (up to 20m) were sighted at Nangoh, Bayok and Meliau estates.</p> <p>The rivers / streams passing through the estates audited were namely Sg. Sinaputan, Sg. Paliau and Sg. Labuk (Nangoh estate), Sg. Labuk and Sg. Wan Yang (Bayok estate), Sg. Padau Lawan, Sg. Padau Madau and Sg. Paliau (Meliau estate).</p> <p>Workers are aware of the non-usage of chemicals within the buffer zones areas.</p> <p>There was no construction of bunds/ weirs/dams across the rivers or waterways passing through the estates.</p>	<p>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. 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>Complied</p>

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	<p>BOD levels had been in the range of 28 to 36 mg/l for the period June 2017 to August 2018. The current allowable upper limit specified by D.O.E. Sabah is 100 mg/l (max.).</p> <p>Analysis results meet the following DOE limits specified for the period 01 Jul 2017 to 30 Jun 2018 as follows:</p> <ul style="list-style-type: none"> • BOD < 100 mg/l, • Total Suspended Solids < 400 mg/l, • Oil & Grease < 50 mg/l, • Ammoniacal Nitrogen < 150 mg/l, • Total Nitrogen < 200 mg/l, • pH = 5 to 9, • Temperature < 45°C 	
<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 1.42 to 1.89 m³/tonne FFB with an average usage of 1.62 m³/tonne FFB. The level of water usage is slightly higher than the industry norm of 1.2 to 1.5 m³/tonne FFB.</p>	Complied
<p>Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
Indicators	Findings and Objective Evidence	Compliance
<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.</p> <p>Records on planting of beneficial plants had been verified on the estates. Pest infestation was noted to be minimal at the estates.</p> <p>Programme for planting of beneficial plants such as <i>Cassia cobanensis</i>, <i>Turnera subulata</i>, and <i>Antigonon leptopus</i> and records on areas planted had been verified and adhered basically to the 60 /20/20 ratio as per the IPM plan.</p> <p>The respective maps of planted areas were updated at Meliau, Nangoh, Bayok and Rungus estates and noted to be satisfactorily maintained.</p> <p>Verified that NC # CBK-01 (2017) was satisfactorily addressed and closed.</p> <p>Rat baiting would be carried out only should rat damage exceed 5 % on FFB. For areas exceeding 5% on FFB, rat baiting were carried out.</p> <p>Treatment was carried out until return result had shown the acceptance rate of between 10% and 17% which was within the criteria set i.e. below 20%.</p>	Complied
<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p>	<p>Training records for staff and workers on IPM implementation were available and was verified on-site to be satisfactory during field assessment.</p>	Complied
<p>Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>		
Indicators	Findings and Objective Evidence	Compliance
<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>Guidance Procedure for written justification in the use of agrochemicals had been reviewed and found acceptable.</p> <p>The PMU has an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows:</p> <ol style="list-style-type: none"> (1) Glyphosate isopropyl amine (41% a.i.) (2) Metsulfuron methyl (20% a.i.) (3) Triclopyr butoxy ethyl ester (32.1% a.i.) 	Complied

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	<p>(4) Glufosinate ammonium (13.5% a.i.)</p> <p>Specific pesticides had been used to deal with the respective target pest, weed, or disease.</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 style="text-align: center;">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.</p> <p>The pesticide reduction program is monitored on usage per hectare basis. Overall, there has been a decline in pesticide usage per hectare on a year to year basis.</p> <p>No prophylactic use of pesticides had been carried out at the estates for the period concerned.</p>	<p style="text-align: center;">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 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>Use of paraquat had been eliminated since 31 Dec 2011 in the IOI Group Estates.</p> <p>Alternatives such as Round up (Glyphosate Isopropylamine), Ally (Metsulfuron Methyl), and Starane (Fluroxypyr) had been used to replace paraquat.</p>	<p style="text-align: center;">Complied</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.</p> <p>Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves and overalls) have been provided and used by the pesticides operators.</p> <p>First Aid Kits found to be available during pesticides spraying in the fields (4th Schedule).</p> <p>Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p> <p>All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers.</p> <p>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.</p> <p>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>	<p style="text-align: center;">Complied</p>

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	<p>There were adequate number of bathrooms facilities made available for both male and female field workers at the estates audited.</p> <p>Verified that NC # CBK-02 (2017) issued on was satisfactorily addressed and closed.</p>	
<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.</p> <p>Major Compliance</p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974.</p> <p>Emergency shower and eye wash are available near the pesticides store in case of accidents.</p> <p>Material Safety Data Sheets (MSDS) are available in the store. The MSDS are in English and Bahasa Malaysia (understood by the workers).</p> <p>Used chemical containers were either reused as containers for spraying solution. 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, Malaysia.</p>	Complied
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>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</p> <p>Programme and training records verified to be satisfactory.</p>	Complied
<p>4.6.8 Pesticides shall be applied aurally 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.</p> <p>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>	Complied
<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).</p> <p>Minor Compliance</p>	<p>The Annual Training Plan 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. There are no contractor's workers in the PMU.</p> <p>Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	Complied
<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).</p> <p>Minor Compliance</p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor.</p> <p>The scheduled wastes from the estates are sent to the POM for disposal.</p> <p>Records of scheduled waste collection at the mill and disposal were verified to be well maintained.</p> <p>Empty pesticide containers are triple rinsed and pierced and sold for disposal as recyclable plastic material.</p>	Complied
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>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 has been satisfactorily followed.</p> <p>The estates audited had sent their sprayers, chemical pre-mixers, workshops and chemical store personnel for the annual medical surveillance.</p>	Complied

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	<p>The workers as identified under the CHRA reports were sent for medical surveillance in May 2018 (Meliau – 14 nos and Bayok – 16 nos), July 2018 (Rungus – 10 nos) and Aug 2018 (Nangoh – 12 nos).</p> <p>Verified that NC # CBK-03 (2017) was satisfactorily addressed and closed.</p> <p>Medical surveillance reports of individual sprayers were available and checked with no abnormalities 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 is unfit for work with pesticides. No such cases in the PMU as at the date of assessment.</p> <p>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.</p> <p>Besides the annual medical surveillance, monthly clinical tests (to check lungs, gastro intestinal, urinary system, pregnancy, nails, skin, etc.) also carried out by Health Assistant on sprayers and records maintained indicate no cases of toxic reactions.</p> <p>Besides the annual medical surveillance, clinical records were also monitored at the estates clinics on follow up issues as recommended by the VMO.</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.</p>	<p>Complied</p>
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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. Major Compliance</p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act 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>Quarterly committee meetings were conducted and decisions and planned actions were recorded in the meeting minutes.</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. Major Compliance</p>	<p>Procedures and actions implemented to mitigate the hazards at the workplace. Risk assessments at the POM and estates were reviewed in Jan 2018.</p> <p>There was an assessment of noise levels in the POM in Feb 2011 as seen in the Consultant Report. Work areas previously identified with high noise levels are the boiler station, engine room and sterilization unit where noise level exceeded 85 db. Additional noise level monitoring showed noise level increase to be minimum.</p> <p>Mill management have taken steps to reduce the noise levels by more frequent lubrication of machinery, reducing the</p>	<p>Complied</p>

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	<p>exposure time to high noise and mandatory use of ear plugs and ear mufflers.</p> <p>Annual audiometric test conducted for all mill staff and workers. The latest audiogram was carried out on 27 Jun 2018.</p> <p>The audiometric reports of 13 workers initially indicated as having mild and 1 worker with moderate hearing impairment. The said workers were retested for the Standard Threshold Shift (STS) results on 13 Sept 2018 (3 months later). The re-testing results concluded that none of the workers were having any severe hearing impairment and were recommended to wear proper hearing protectors.</p> <p>The baseline audiogram and occupational and medical history records of each worker was maintained.</p> <p>The employees exposed to high noise levels were interviewed. 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> <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.</p> <p>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.</p> <p>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>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.</p> <p>Major Compliance</p>	<p>Training programme planned for year 2017 & 2018 included training for all categories of workers.</p> <p>Appropriate trainings on safe working practices are planned 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 firefighting 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.</p>	<p>Complied</p>

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	<p>The above trainings were conducted and records were available. Evaluation carried out on each of the trainings to determine its effectiveness.</p> <p>Appropriate PPE (safety helmets) had been provided to FFB harvesters and loaders at the place of work to cover all potentially hazardous operations.</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 responsible persons for safety were the Manager of the Mill and Estate Managers.</p> <p>Records of regular meetings between the responsible persons and workers to discuss about health and safety had been verified to be satisfactory.</p> <p>Cases of accidents as reported were investigated by the Safety Manager together with the respective Mill and Estates managers and documentations were noted to be completed in a timely manner.</p> <p>Verified that NC # CBK-04 (2017) was satisfactorily addressed and closed.</p>	Complied
<p>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</p>	<p>Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors.</p> <p>Workers trained in First Aid were present in the mill and field operations.</p> <p>First Aid Kits were available at worksites.</p> <p>Emergency Response drills were conducted respectively conducted on annual basis at the office and housing premises with records maintained.</p> <p>Verified that OBS # CBK-01 (2017) was satisfactorily addressed and closed.</p> <p>Records on all accidents had been verified to be maintained satisfactorily.</p> <p>Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, & Health (ESH) Committee.</p>	Complied
<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance</p>	<p>Medical care had been provided to all the workers.</p> <p>Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with MSIG Insurance.</p> <p>Noted that there were no outstanding insurance or compensation claims under JKKP 8 reports.</p>	Complied
<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance</p>	<p>Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.</p>	Complied
<p>Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>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</p>	<p>A formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented. Refresher training was conducted in Feb 2018.</p> <p>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.</p>	Complied
<p>4.8.2 Records of training for each employee shall be maintained. Minor Compliance</p>	<p>Records of training for each employee, including new employees were maintained.</p>	Complied

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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
<p>5.1.1 An environmental impact assessment (EIA) shall be documented.</p> <p>Major Compliance</p>	<p>The Environmental Aspect and Impacts Assessment were reviewed and documented on 1st August 2018. The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as relevant conservation activities applicable to the PMU. Records were made available during audit and found to be satisfactorily maintained.</p>	Complied
<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.</p> <p>Minor Compliance</p>	<p>There were no major changes to the identified impacts since the establishment of the documents above and plans were developed to mitigate the issues.</p> <p>Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the Pamol POM. Data were collected and it ensured compliance with relevant regulations.</p> <p>The plans had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as reducing dust emission by installing a wet scrubber and bio-polishing to reduce BOD for the POM, together with other conservation activities applicable to the estate.</p> <p>Verified that NC # OCL-02 (2017) was satisfactorily addressed and closed.</p>	Complied
<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.</p> <p>Minor Compliance</p>	<p>Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis. For the audit period, it was reviewed in August 2018. The review 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. There are no operational changes at both the POM and estates.</p> <p>Verified that NC # OCL-01 (2017) was satisfactorily addressed and closed.</p>	Complied
Criteria 5.2		
The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.		
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>HCV assessment was initially conducted by the IOI Group HQ and documented in a report dated May 2016. It was reviewed and documented by the sustainability team on August 2018.</p>	Complied

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<p>Major Compliance</p>	<p>The exercise has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented.</p> <p>Visits to site confirmed that the Nangoh Estate bordered the Ulu Tungod Forest Reserve on the North west. Three streams passes through the estate, namely, Sg. Sinaputan, Sg. Paliau and Sg. Labuk. Clear buffer and riparian zones were identified. Bayok Estate is surrounded by palm oil estates along its border. The river available is Sg. Labuk and Sg. Wan Yang. Riparian zones had been created and demarcated.</p> <p>Meliau Estate is surrounded by palm oil estates along its border. Streams crossing the estate includes Sg. Padau Lawan, Sg. Padau Madau and Sg. Paliau.</p> <p>Rungus Estate is surrounded by oil palm plantation except on its north where it borders the Botitian Forest Reserve. Sg. Tungod is located at its Eastern side and it does not crosses the estate.</p> <p>HCV and other environmentally sensitive areas were documented and inspected on site. Boundaries bordering the forest reserves at Nangoh estate as well as at Rungus Estate were well demarcated to deter wildlife from going into the estate.</p> <p>Conservation areas/environmentally sensitive areas i.e. buffer zones along the stretches of streams which pass through the estates had also been identified and being monitored.</p> <p>Audit Observation: Signages relating to the permissible and prohibited activities was observed to be insufficient and not placed at strategic locations at and along riparian and conservation areas. (Refer OBS: SH-01 under indicator 4.4.1)</p>	<p style="text-align: center;">Refer to Indicator 4.4.1 (OBS: SH-01)</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 by the AP and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Honorary wildlife wardens were also appointed with the assistance of the Wildlife Department.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also carried out via the patrolling activities conducted.</p> <p>Also, signage that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited i.e. Nangoh, Bayok , Meliau and Rungus estates, and found to have been satisfactorily maintained.</p>	<p style="text-align: center;">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>There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p> <p>Training programme on RTE has also been organised and attended by personnel across the organisation. The training was conducted on 23rd August 2018 at Meliau estate and 24th July 2018 at Bayok Estate to various categories of personnel and workers.</p> <p>Training on buffer zones and its importance were also conducted to the field workers on August 2018.</p>	<p style="text-align: center;">Complied</p>
<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 	<p>Management plans were established and monitoring outcomes were reviewed by the Estate managers.</p>	<p style="text-align: center;">Complied</p>

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<p>plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan.</p> <p>Minor Compliance</p>	<p>Verification were also made during on-site assessment and found to be satisfactory implemented at all estate visited i.e. Nangoh, Bayok, Meliau and Rungus estates.</p> <p>The overall management plan on the status of HCV/RTE of the Pamol plantation group is collated, reviewed and monitored by the sustainability team in consultation with other stakeholders.</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 i.e. Nangoh Estate, Bayok Estate, Meliau estate and Rungus estate. Thus negotiated agreement of such nature is not applicable.</p>	Complied
<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 (Nangoh, Bayok, Meliau and Rungus 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, Stack emissions and Boiler ashes were maintained and monitored at the POM.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 306), spent lubricant oil (SW 305), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the Pamol mill and Plantations. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p>	Complied
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</p>	<p>At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned.</p> <p>Stores for scheduled waste were inspected and audited at site i.e. POM and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>The POM and estates have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor (Lagenda Bumimas Sdn Bhd). Latest disposal was recorded on 8th September 2018.</p>	Complied
<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 plan were in place at both the POM and estates. It has been documented and implemented as required and is being carried out responsibly.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in all the Plantations visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p>	Complied

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	<p>Waste disposal was done by an appointed contractor that is licensed by the Department of Environment.</p> <p>The solid waste management and disposal plan using landfills was only available at all estates audited. Landfill management was found to be satisfactory implemented.</p> <p>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>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>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
Indicators	Findings and Objective Evidence	Compliance
<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 record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Records were satisfactorily documented.</p> <p>Visit to Pamol mill showed evident that they are compiling the data, document it for further action to improve on their efficiency of using the renewable and non-renewable energy.</p> <p>Apart from use of diesel for generating electricity, palm fiber was also used to generate electricity through steam turbine and boiler. The processing of the CPO was done using the turbine generation.</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>It was verified that energy usage are being monitored daily, especially at the POM for better control and comparison of trends.</p> <p>Buffaloes (Kerbau) were also seen to be used to aid the transport of FFB bunches in the fields at the estates audited, which helped to reduce fossil fuel usage.</p>	Complied
<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>		
Indicators	Findings and Objective Evidence	Compliance
<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.</p> <p>Major Compliance</p>	<p>IOI Group had observed the policy of 'Zero open burning' for any replanting, if any, at the estates.</p> <p>Field inspections made at Nangoh, Meliau, Rungus and Bayok estates showed no evidence of open burning.</p>	Complied
<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.</p>	<p>The PMUs adhered to the 'zero burning' policy for replanting at the estates.</p> <p>During the audit, there were some replanting activities carried out in the IOI Pamol plantation group. However, no fire is being used in the land preparation.</p> <p>Also, there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estates</p>	Complied

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Minor Compliance	during on-site field assessment. Sanitary landfills was located far away from the village and water sources.	
Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<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).</p> <p>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 evident that the emission is within the permissible limits of DOE as verified by documents made available during the on-site visit to the Pamol mill.</p> <p>POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations.</p>	Complied
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>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 PMU.</p> <p>Plans to GHG reduce emissions involves the building of the biogas plant by end 2019 as being feasible and significant.</p> <p>GHG report calculation has also been submitted to RSPO on 13th August 2018.</p>	Complied
<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.</p> <p>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>Water samples were regularly taken and tested by mill environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge points The water samples were sent for analysis. This was conducted by ENV Consultancy & Monitoring Services. Records are maintained and verified on-site to have met the permissible regulatory limits. (Domestic Water Discharge Quality Report dated March 2018).</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.</p> <p>Major Compliance</p>	<p>Social impacts in IOI Pamol group operations were assessed using various method including consultations, meetings, respond forms and interviews.</p> <p>Social impact assessment [SIA] for each operating unit in IOI Ladang Pamol grouping has been reviewed in Sep 2018 and conducted together with relevant external and internal stakeholders. External stakeholders' consultation was conducted for the whole grouping on 28/8/2018 and the consultation was properly documented. More than 45 participants attended the external stakeholder consultation including local communities, suppliers, contractors, government agencies and NGOs. Taking into consideration the distant from the</p>	Complied

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	<p>POM, stakeholder consultation for Sugut Estate was conducted separately.</p> <p>Internal stakeholders' consultations however conducted separately in each operating unit, e.g. in Meliau Estate it was conducted on 25/4/2018 and in Pamol POM on 5/9/2018. Internal stakeholders' consultations in each operating unit were attended by different categories of workers, e.g. different scope of work, gender, nationalities and levels. These consultations were also very well documented.</p> <p>In each SIA for each operating unit audited it was verified that all potential impacts were included, e.g. access and use rights to individual passports and travelling documents, sufficient and on time monthly pay, schools and health clinics, etc.</p>	
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>Each consultation and meeting conducted was verified to have involved relevant stakeholders affected by the operations of the group. Participants in external and internal stakeholder consultations were already mentioned above [6.1.1]. Participants in meeting such as Joint Consultative Committee [JCC] involved workers representatives from different categories of workers such as general workers, sprayers, manuring workers, harvesters, drivers both locals and foreign workers. Participants in Gender Consultative Committee [GCC] mainly are women workers attended by Social Liaison Officer who are mostly male Assistant Manager acting as representatives for male workers.</p> <p>During external and internal stakeholder consultation respond forms were distributed for written inputs, however, verbal inputs were recorded in the meeting minutes. Meeting minutes were also maintained for other meetings mentioned above, i.e. JCC and GCC meetings. Attendance lists and photos for stakeholders' consultations and meetings conducted were also verified.</p>	<p style="text-align: center;">Complied</p>
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>Major Compliance</p>	<p>For each comments received during meetings or interviews conducted by the POM and the estate, a time table of activities were developed with time frame on implementation plans and persons responsible. Comments received through the meetings, stakeholder logbook, etc., were recorded and also indicated with status either continuous, completed or pending.</p>	<p style="text-align: center;">Complied</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 plans are reviewed annually together with affected parties, especially the workers, who were always consulted during the annual internal stakeholder consultation, the JCC meetings, safety meeting, daily morning muster and individual reports made in the Grievance Books.</p>	<p style="text-align: center;">Complied</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>No smallholder scheme within IOI Pamol Grouping, thus this criteria is not applicable.</p>	<p style="text-align: center;">Not applicable</p>
<p>Criterion 6.2</p>		

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There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.2.1 Consultation and communication procedures shall be documented. Major Compliance</p>	<p>Procedure related to communication and consultation with the parties mentioned is available at IOI group website at https://www.ioigroup.com/Content/S/PDF/30 sept 2016 Grievance Mechanism FINAL.pdf. The group has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, by personal invitation to attend the internal and external stakeholders' consultation.</p> <p>At IOI Pamol Grouping level, the procedure mentioned above is available in English and Bahasa Malaysia and made public to all workers. Furthermore the procedures were also explained carefully to all level of workers and this was verified through individual interviews with sampled workers during the audit. This procedure were also socialised with external stakeholders during the consultation session and personal interviews conducted by the management.</p>	Complied
<p>6.2.2 A management official responsible for these issues shall be nominated. Minor Compliance</p>	<p>In most cases, nominated person responsible as social liaison officers are the Assistant Managers of the operating units. Social liaison officers are responsible in handling relevant social related issued either raised by local communities, workers, government agencies or other interested parties. For example Mr. Ridwan Mohd Isa, AM is identified in the SIA as Social Liaison Officer for in Pamol POM and Mr. Sivendran A/L Rajendran, AM in Meliau Estate.</p> <p>Names of these nominated officers are made public to the workers through grievance procedures available in the public notice boards as well as through announcements made during meetings and morning musters. Interviewed conducted with workers during the audit verified that the workers especially have easy access to these social liaison officers.</p>	Complied
<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. Minor Compliance</p>	<p>The list of stakeholders, communication and actions taken were maintained in file. Consultations with various stakeholders held and meeting minutes have been verified to be satisfactory during the audit.</p> <p>Minor NC# JMD-01 raised in ASA-01 2017 verified to be satisfactorily closed. Stakeholders' lists in the estates audited are appeared to be complete by including the names and contact detailed of the neighbouring estates and smallholders.</p>	Complied
<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>		
Indicators	Findings and Objective Evidence	Compliance
<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. Major Compliance</p>	<p>It was verified during the audit that a system to deal with complaints and grievances for all affected parties have been established and well implemented in IOI Pamol Grouping. Among others, the affected parties have several options to register their complaints and grievances, e.g. Grievance Book, annual stakeholder consultation, morning muster, during ECC, GCC and Safety meetings.</p> <p>Procedures on how to register complaints are available in public notice boards. Main person responsible in handling the complaints and grievances received from stakeholders in each operating unit is the Social Liaison Officers who in most cases are the Assistant</p>	Complied

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	<p>Managers. Training and explanation on how to utilise this system were given and verified by the auditor.</p> <p>The system in place is verified to be effective in ensuring that complaints and grievance are addressed or resolved in timely and appropriate manner. Actions taken to address the complaints and grievances received are recorded appropriately.</p> <p>The system also allows the workers to register their complaints against their immediate supervisor as in most cases Social Liaison Officers are normally in higher position than the supervisors. The workers also allowed to elect their own representatives in the JCC as opposed to the representatives being dictated by the management.</p> <p>Complaints and grievances are investigated, addressed and resolved based on their severity. Minor complaints will normally be resolved within 2-3 working days, whilst major complaints and grievances will be resolved based on priority and budget availability. No complaints related to sexual harassment received so far, but the procedures stated such issues will be handled with the utmost privacy and confidentiality by the GCC.</p> <p>It is verified during on-site interviews that there were no incidences of dispute or grievance of a serious nature but since Feb 2013 IOI grouping had adopted "Whistleblowing Policy" available at https://www.ioigroup.com/Content/CI/PDF/Corp_WhistleblowingPolicy.pdf which was approved by Audit and Risk Management Committee revised in Nov 2017. It was also evident that if no mutual resolution found between the complainants, esp. external stakeholder, the issue will be brought to RSPO and the local authorities.</p>	
<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>All complaints and grievances received are documented either in the form of log book as in the Grievance Book, meeting minutes for the JCC, GCC, Safety meetings and annual stakeholder consultations or respond forms. Decisions and action as responds to the complaints and grievances received also very well documented with sufficient supporting documents as proofs. For example latest entry in the Grievance Book in Pamol POM was received on 29/8/2018 from Leeven Anthony with regards to repair of his quarters which was immediately attended to by the management and completed on the same day. Other than reports made to the gender representatives (which are kept under confidentiality), all other complaints and grievances are accessible to the public.</p>	<p style="text-align: center;">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>There are some borders at the operating units audited in IOI Pamol Grouping immediately adjacent to villages. However, there has been no claims from the villagers over the land, records of any negotiation or compensation pertaining to this criteria.</p> <p>No changes in status to date, hence no negotiation or compensation that fall under this criterion.</p>	<p style="text-align: center;">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</p>	<p>IOI as a group has a generic procedure for calculating and distributing compensation which was available for verification during the audit. To date, there has been no dispute by any parties reported at the IOI Pamol Grouping.</p>	<p style="text-align: center;">Complied</p>

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<p>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>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>To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation could not be observed.</p>	<p>Complied</p>
<p>Criterion 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</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>In IOI Pamol Grouping, most of the workers in the estates, as stated in the workers contract, are considered as "general workers" with piece rated pay. In Pamol POM, however, the workers are paid with daily rate. These pay conditions and other benefits are sufficiently spelt in the workers contract. Decision on workers' wages were based on a memorandum dated 20 June 2016 to all IOI groups in Sabah including Pamol grouping. According to this memorandum monthly minimum wages had to be RM920/month or RM35.38/day, provided that all qualifying conditions are satisfactory fulfilled. These conditions were then clearly outlined in the "IOI Plantation Minimum Wages & Leave Pay Policies in Malaysia" dated Oct 2017 signed by Mr. N.B. Sudhakaran, Plantation Director (https://www.ioigroup.com/Content/S/PDF/Minimum Wage Policy.pdf). Content of this policy is verified to be satisfactorily understood by workers in the PMU and fulfilled common industry standard as it is in accordance with the MAPA-NUPW agreement 2015 and Minimum Wages Order 2016.</p> <p>An observation was raised on Meliau estate. In the summary for Annual Leave Pay, the details of total offered days for work in the year was not included in VLP report. The absenteeism percentage calculation should show at least one decimal point for accurate round off. This can be improved to ensure clarity when determine workers eligibility for the annual leave pay.</p>	<p>OBS: JMD-01</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>Pay conditions are clearly detailed in the workers contracts which include pay system used, working hours, overtime, holiday entitlements, etc. no deductions sighted in the pay slip for foreign workers.</p> <p>Workers contracts are in Bahasa Malaysia which could be understood without difficulty by the foreign workers who are mainly Indonesian.</p> <p>Based on interviews with the workers and sampled pay slips in each operating unit audited, it was verified that the pay and conditions as stated in Sabah Labour Ordinance, Minimum Wages Order 2016 and other relevant regulations are satisfactorily complied with.</p> <p>The PMU Management had monitored the monthly performances and wages received by their workers at the POM and respective Estates.</p>	

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	<p>Monthly analysis is conducted on workers who received less than the stipulated minimum wage. It was verified these occurred mainly due to non-attendance without prior permission and/or working less than the required hours. The Sabah Labour Dept. i.e. JTK Sandakan and JTK Kunak, were consulted by the IOI Sustainability team and further independently verified by the auditor with the JTK officers during the audit. It was confirmed that these group of workers are not covered under the Minimum Wages Order 2016. Thus it is not required by the law (in Sabah state) for the management to top up the wages of those workers who are having these issues.</p> <p>Wages for workers in IOI Pamol Grouping are paid by cheques. In order to cash the cheques the workers will acquire the assistance from sundry shops owners located nearby the estates housing sites. From interviews made with the workers, it was confirmed that there was no complaint from the workers on the use of such services.</p> <p>To date, there was no feedback of any complaints from the Labour Dept. at Sabah (JTK) from both local and foreign workers against IOI Pamol Grouping with regards to any occurrence of unjust pay and working conditions. It is further verified that there was also no evidence of such related complaint raised during the JCC and stakeholder consultation meetings held or recorded in the Grievance Books, which were inspected during audit.</p> <p>However, the observations below are raised on Meliau and Nangoh Estates:</p> <ol style="list-style-type: none"> 1. There was a lapse in linesite inspection between 25 Aug 2018 and 14 Sep 2018 as the person in-charge was away attending a training. Proper re-scheduling need to be in place. 2. For good practice, the review of outpatient treatment records should be conducted by the VMO. 3. Patient referred to Clinic - KK Nangoh by the EHA should be followed up until the treatment was completed. <p>Previous year 2017, findings i.e. Major NC# JMD-01, OBS# JMD-01 and OBS# JMD-02, raised under this criteria were verified to be satisfactorily closed. No similar issues were found during current audit.</p>	<p>OBS: JMD-02</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>Minor Compliance</p>	<p>Minimum national standard for housing and other basic necessities are described in Akta Standard-Standard Minimum Perumahan Dan Kemudahan Pekerja – Akta 446 [Workers’ Minimum Standards of Housing and Amenities – Act 446]. However, this act, as informed by JTK, is not applicable in Sabah, thus IOI Pamol Grouping only implements relevant parts of the act.</p> <p><u>Housing, electricity and water supply</u></p> <p>Workers are provided with adequate free accommodation at workers quarters with free electricity and treated water. The workers quarters were clean and rubbish are collected at least twice in a week. All rubbish are properly tied in plastic bags before being transported to the landfill. Chicken coops are located in a safe distance from the houses.</p> <p><u>Schools</u></p> <p>The migrant workers’ children are given free education in a NGO-managed school, i.e. Humana. Maintenance of the school building, furniture, electric and water supplied are is under the purview of the operating unit management. The Humana schools are mainly for children from 6-13 years old.</p> <p>Additionally, the Community Learning Centre [CLC] was established for older children aged from 14-18. School children, both local and foreign, were transported with no charge from the operating units in</p>	

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	<p>suitable vehicles. A number of school buses was sighted during the audit were used to transport the school children.</p> <p><u>Sundry shops</u> Sundry shops are available outside at each operating unit audited. From interviews with the workers it was found that most household sundries, including frozen foodstuffs were available on sale. The workers also go out to town once a month after pay day to buy sundries.</p> <p><u>Crèche (Rumah Asuhan Kanak-kanak)</u> Crèche is available in each estate operating unit which were noted to be satisfactorily maintained. Verified that the crèche caretakers were adequately trained on the use of first aid kits and fire extinguishers. Depending on the operating unit management, some crèche are provided with biscuits or formulated milk powder. During the audit, children were found in good health and the surrounding of the crèche are all well maintained. No overcrowded crèche found and ratio between caretakers with children are well balanced.</p> <p><u>Clinics</u> Clinics are located in within the vicinity of the estates and the POM. Together with the staff, the Estate Health Attendant [EHA] are also responsible on monitoring and maintaining acceptable living standard in the workers quarters, e.g. buildings maintenance, rubbish collection, drainage system, children education, etc. Inspection by the staff conducted weekly, whilst inspection by HA conducted monthly. VMO make a monthly visit to the audited estates and check upon a few areas, e.g. referred patients and purchase of the medicines at the clinics, workers quarters, and crèche.</p> <p>An Observation was raised as follows: At Meliau and Nangoh estates There was a lapse in linesite inspection between 25 Aug 2018 and 14 Sep 2018 as the person in-charge was away attending a training. Proper re-scheduling need to be in place. For good practice, the review of outpatient treatment records should be conducted by the VMO. Patient referred to Clinic - KK Nangoh by the EHA should be followed up until the treatment was completed.</p>	<p>OBS: JMD-02</p>
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. Minor Compliance</p>	<p>IOI Pamol Grouping has ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops within the group compound.</p> <p>It is verified that office staff were provided with transport to go shopping for sundry items in town at the end of each month i.e. after pay day upon specific request.</p>	<p>Complied</p>
<p>Criterion 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available. Major Compliance</p>	<p>Published statement recognising freedom of association is mentioned in Sustainability Policy adopted by the IOI group in 2017.</p> <p>As an alternative to workers union, IOI Pamol Grouping formed the JCC in each operating unit. This committee serve as a medium for workers to collectively bargain with the management. Members of JCC are representatives elected by the workers including both local and foreign. JCC meetings are scheduled quarterly and the meetings were minuted.</p>	<p>Complied</p>

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	It was verified that issues raised during the meetings are resolved in appropriate and timely manner. From sampled JCC meeting minutes, there was no major issue raised by the workers. Meeting minutes selected for verification was for Pamol POM conducted in 14/6/2018 and in Meliau Estate meeting conducted on 23/3/2018. This practice proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the PMU.	
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	JCC as an alternative to workers union is scheduled to conduct their meeting quarterly. It was verified that each meeting is properly documented and filed complete with photographic evidence. Participants in JCC meetings involved workers representatives from different categories of workers such as general workers, sprayers, manure applicators, harvesters, drivers both locals and foreign citizens. The meeting minutes are accessible to all members in the JCC and other workers as well. In each meeting, the meeting started with approval of previous meeting minutes and evaluate the status of issues raised.	Complied
Criterion 6.7 Children are not employed or exploited.		
Indicators	Findings and Objective Evidence	Compliance
6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance	Published statement the group will eliminate all forms of illegal, forced, bonded, and compulsory, including child labor is mentioned in Sustainability Policy adopted by the IOI group in 2017. HUMANA schools and 'crèche' were established to cater to the need for proper education of the foreign workers children. Children at the appropriate age for secondary school attended the Community Learning Centre (CLC) which is also managed by HUMANA but was built with the help of the PMU. Inspection of the employment records including site visit to the estates and this practice proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the PMU.	Complied
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.		
Indicators	Findings and Objective Evidence	Compliance
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Published statement on equal opportunities is mentioned in Sustainability Policy adopted by the IOI group in 2017. This policy clearly state that IOI Group including IOI Pamol prohibits and will actively prevent any discrimination based on race, nationality, religion, or gender.	Complied
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Based on interviews and feedback from the employees, foreign workers, review of JCC meeting minutes and grievance records, it is verified that there has been no issue of discrimination at the PMU. These practices, i.e. regular meetings between workers and the management, effective grievance procedures, etc. proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the PMU.	Complied
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.	All operating units audited in IOI Pamol Grouping kept and maintained records of their workers, including credentials and medical history. Credentials for foreign workers are mostly referring to the travel documents, whilst credentials for local staff have more details. Records of medical history for both local and foreign workers are	

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Minor Compliance	<p>considerably comprehensive kept in the medical clinics within the group.</p> <p>Recruitment and promotion are verified based on skills, capabilities, qualities, and medical fitness necessary for the job. Before hiring, each new foreign workers are required to pass FOMEMA medical check-up as required by law and probation period to evaluate level of skills and the workers attitude towards the new surroundings.</p> <p>A non-compliance was raised as follows: In Meliau, Nangoh, Bayok and Rungus estates, it was found that several field general workers were promoted to new positions in line with their skills and work experience such as ‘mandores, ‘tractor drivers’ and mechanics. However the changes to their new job and responsibilities involved were made on verbal basis. Documentation such as appointment and records of acceptance should be documented and retained.</p>	NC: JMD-02
Criterion 6.9		
There is no harassment or abuse in the work place, and reproductive rights are protected.		
Indicators	Findings and Objective Evidence	Compliance
<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>Published statement on prevention of sexual and all other forms of harassment and violence is covered in Sustainability Policy adopted by the IOI group in 2017.</p> <p>GCC members who were interviewed confirmed that there is a clear and understandable protocol on receiving complaints or grievances related to sexual harassment. Apart from briefing on the policy mentioned above in muster ground to all workers and during stakeholder consultations, GCC meetings were also conducted in each operating unit audited. Examples are in Pamol POM, latest GCC meeting was on 26/6/2018 and in Meliau Estate was on 18/8/2017. Meeting minutes of GCC was reviewed during the audit and concerns related to women was clearly covered including especially on sexual harassment and domestic violence. These practices, i.e. regular meetings between workers and the management, effective grievance procedures, etc. proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the PMU.</p>	Complied
<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>Pregnant and breastfeeding women were exempted from work associated with potentially hazardous chemicals. Medical checkup is conducted monthly on workers handling chemicals and this process ensure that pregnant workers are identified as early as possible. However, in most cases based on the advice from the management and the Hospital Assistant (HA), female workers found to be voluntarily resigned from work due to their pregnancies until they have completed weaning their babies.</p>	Complied
<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>Minor Compliance</p>	<p>The Grievance process flowchart and procedures are displayed in the estate offices. The grievance mechanism established at the PMU has been maintained. There are gender committees specifically to address areas of concern to women. These committees headed by the managers and members are representatives from all areas of work. The minutes of meetings were documented and kept. Reports made to the gender representatives are inaccessible to the public.</p>	Complied
Criterion 6.10		
Growers and millers deal fairly and transparently with smallholders and other local businesses.		
Indicators	Findings and Objective Evidence	Compliance

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<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance</p>	<p>FFB prices are publicly displayed at the POM based on current prices as determined by MPOB. These prices are available for public to access at MPOB website.</p>	<p>Complied</p>
<p>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</p>	<p>Price mechanism is generally understood by the industry players as the POM is using FFB prices set by the MPOB.</p>	<p>Complied</p>
<p>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</p>	<p>Based on employee contracts and meeting minutes (between the PMU managements and employees) it is evidenced that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. 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. The contractors are monitored to follow safety requirements during the work in progress.</p>	<p>Complied</p>
<p>6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance</p>	<p>The PMU has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreement made. Payments are made on time according to common practice of 60-day grace period. This was verified during interview with the stakeholders including the contractors.</p>	<p>Complied</p>
<p>Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance</p>	<p>Main contribution of the estates to the local development can be demonstrated in the provision of facilities, services and where feasible, monetary.</p> <ul style="list-style-type: none"> • New Humana schools in Sugut and Tindakon Estates. • New workers quarters under construction in Nangoh Estate. • Vitamin C provision for children attending the crèche and kindergarten every Monday in Nangoh and Meliau Estates. • Free injection service for foreign workers family control by Nangoh & Meliau Clinic Mas Indah. • Free transportation to schools for primary, secondary and Humana students. • Free housing for Humana teacher and contractor workers. • Free ambulance service to nearest government medical clinic, i.e. KK Nangoh. 	<p>Complied</p>
<p>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</p>	<p>The certification scope covered during the audit does not include the smallholder. Thus this criteria is not applicable. In addition, the PMU have no dealings with smallholders.</p>	<p>Not applicable</p>
<p>Criterion 6.12 No forms of forced or trafficked labour are used.</p>		

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Indicators	Findings and Objective Evidence	Compliance
<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>Major Compliance</p>	<p>Estate workers are sourced by the IOI appointed agents and handled via IOI Sandakan Region office [SRO].</p> <p>All procedures of bringing in foreign workers are with the approval from the Immigration Office. Based on records verified and interviews with some of the workers, it is confirmed that there has been no occurrence of forced nor trafficked workers in IOI estates.</p> <p>IOI through its revised Sustainability Policy have released the passports back to the workers throughout the group. The workers however were reminded they are responsible should any untoward incidents happened while their passports are in their custody. The management will assist the workers to monitor the passport and work permit expiry dates, FOMEMA tests until collection of work permit from the Immigration Office.</p> <p>It was also verified, workers are aware that legalising process of their dependents are their own responsibilities. The PMU provided necessary assistance such as reference address, transportation, supporting documents, advance payment, etc. for the workers who opted to legalise their dependents. It was verified some invoices from recruitment agency do charge for renewal of dependent passports, e.g. invoice dated 30/6/2018 from Agensi Pekerjaan MNK.</p>	Complied
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p>Minor Compliance</p>	<p>No issue of contract substitution has been found and this was confirmed through interviews mainly with internal stakeholders.</p>	Complied
<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>Published statement and procedures on migrant workers is covered in IOI Plantation Foreign Workers Recruitment Guideline & Procedure In Malaysia adopted by the IOI group was revised in June 2018.</p> <p>Implementation of this policy is evident as explained above, for example, all decisions related to hiring of new workers shall be made based on business needs, job requirements and individual qualifications and without regard to race, religion or gender. Also mentioned above that the equal opportunity policy was adopted and implemented by the PMU and verified to have covered all necessary aspects of including migrant workers related issues. Freedom of association as earlier mentioned permitted not only to the local workers but also to the foreign workers.</p> <p>This policy is communicated to all workers during annual refresher training and to all new intakes.</p>	Complied
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<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>Published statement on human rights is covered in Sustainability Policy adopted by the IOI group in 2017. This policy is verified to be communicated to all workers during annual refresher training and to all new intakes.</p>	Complied
<p>6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.</p>	<p>The mill and estates had contributed towards the setting up and maintenance of the HUMANA and CLC schools for the children of the foreign workers, both for their primary and secondary level education.</p> <p>It was verified that the school building, premises and basic utilities has been adequately maintained and transport was provided free of charge for the school going children of the workers.</p>	

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Minor Compliance	<p>However, a non-compliance was raised as follows.</p> <p>In Meliau Estate and Nangoh Estate, a few children were found wandering around at the workers quarters and not attending school during school day. The parents admitted that they are hesitant to send their children to school as they had received many complaints about their children behavior at school and to avoid incidences that could lead to other issues.</p>	NC: JMD-03
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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 RSPO Secretariat on 13 Aug 2018.

Based on the details provided in the record of submission, verified that there is no potential liability under the RSPO Remediation and Compensation Procedure at this PMU.

SUMMARY OF NET GHG EMISSIONS

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: Jul 2017-Jun 2018)

Emissions per Product	tCO ₂ e/tProduct
CPO	1.39
PK	1.39

Production	t/year
FFB processed	275,471
CPO Produced	56,710

Extraction	%
OER	20.59
KER	4.34

GHG Table 2: Summary of Land Use

Land use	ha
OP planted area	13,510
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	13.79
Total	13,523.79

GHG Table 3: Summary of Field Emissions and Sinks

	Own Crop	Group	3rd Party	Total

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	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	0	0	0	0	0	0	0	0
CO ₂ Emissions from Fertiliser	11468.86	0.95	0	0	0	0	11468.86	0.95
N ₂ O Emissions	6756.2	0.56	0	0	0	0	6756.2	0.56
Fuel Consumption	2926.84	0.24	0	0	0	0	2926.84	0.24
Peat Oxidation	0	0	0	0	0	0	0	0
Sinks								
Crop Sequestration	0	0	0	0	0	0	0	0
Conservation Sequestration	-296.92	-0.02	0	0	0	0	-296.92	-0.02
Total	20854.98	1.73	0	0	0	0	20854.98	1.73

GHG Table 4a: Summary of Mill Emissions and Credits

	tCO ₂ e	tCo ₂ e/tFFB
Emissions		
POME	70792.16	0.26
Fuel Consumption	2582.64	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	73374.8	0.27

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 %

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

Criterion 8.1		
<p>Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>		
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); • 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>	<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. Proposal to construct Biogas plant in 2019 2. New multipurpose court. 3. New document storage store <p><u>Continual improvements for Estates:</u></p> <ol style="list-style-type: none"> 1. Increasing number of staff and workers (e.g. road team) 2. New accommodation for staff quarters 3. New housing blocks for field workers 4. New house for AP 5. Pipelines for better water supply to housing 6. New overhead lines for housing 7. Desilting of certain stretches of streams, especially Sungai Wan Yang as water from the stream is used by villagers nearby. 8. Improve segregation and recycling of waste accordingly to the plastic and organic materials; 9. New Humana schools in Sugut and Tindakan Estates. 10. Vitamin C provision for children attending the crèche and kindergarten every Monday in Nangoh and Meliau Estates. 11. Free injection service for foreign workers family control by Nangoh & Meliau Clinic Mas Indah. 12. Free transportation to schools for primary, secondary and Humana students. 13. Free housing for Humana teacher and contractor workers. 14. Free ambulance services to nearest government medical clinic, i.e. KK Nangoh. <p>Evidence of results was available for the above continuous improvement action plans.</p>	<p>Complied</p>

3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

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

Details of findings are as follows:

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		

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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	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
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

Model D – CPO Mills: Identity Preserved (IP)

D.1 Definition

Indicators	Findings and Objective Evidence	Compliance
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<p>D.1.1</p> <p>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.</p>	<p>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.</p>	<p>Complied</p>
<p>D.2 Explanation</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.2.1</p> <p>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</p> <p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>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</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>Documented RSPO Supply Chain procedure for IP Module is: RSPO/SOP/CoC/3 issue 05 dated 01 Jan 2018 covered the implementation of all elements of IP Module.</p> <p>(1) Procedure (RSPOSC/SOP/IA/1 Rev. No. 01, 01/08/2017) to conduct annual internal audit.</p> <p>(2) Contractor used for processing or physical handling of RSPO certified oil products.</p> <p>(3) RSPO Market Communication and Claims.</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>

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<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. Edmund Norbert has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff (e.g. Asst. Mill Managers, Mr. Ram Surendra Prakash and Mr. Ridwan bin Mohd. Isa) under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module D requirements and its implementation. 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 Operators Laboratory Chemist and clerks) have been suitably defined in the IOI Management System Manual. RSPO SCCS refresher training for relevant POM employees conducted on 8 Jan 2018. Noted that participants had included the subcontractors' workers for transportation of CPO and PK. NC # OCL-03 (2017) was addressed and closed.</p>	<p>Complied</p>
<p>D.3.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The POM only received and processed FFB entirely from the PMU estates 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.</p>	<p>Complied</p>
<p>D.4 Purchasing and goods in</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.</p>	<p>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.</p>	<p>Complied</p>
<p>D.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>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.</p>	<p>Complied</p>
<p>D.5 Record keeping</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>The records and reports are available from the computerized system. 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. As per the SOP, the records and reports are archived and stored in the Mill Office for a minimum period of 2 years.</p>	<p>Complied</p>
<p>D.6 Processing</p>		

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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 kept segregated from non-certified material including during transport and storage.	Confirmed from records that the POM only received and processed certified FFB from its own estates. The processing facility has established and 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. All CPO and PK is sold to externally to IOI Edible Oil Sdn Bhd (Refinery).	Complied
D.6.2 The objective is for 100 % segregated material to be reached.	Documents and records provided documented evidence that the FFB receipt and processed, and CPO and PK produced are traceable to 100% certified material. The product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents.	Complied

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 2018 / 2019 are detailed as per Table 8A & 8B below:

Table 8A: Summary of Production Data (Year: 2019)

	Estate	Smallholders	Outgrowers
Number of Production Unit	7	-	-
Number of Individual Smallholders	0	-	-
Certified Area (ha)	15,289.77	-	-
Production Area (ha) / i.e. Mature area	12,273	-	-
HCV Area (ha)	32.38	-	-
Projected Certified FFB Processed (RSPO Certified) (mt)	285,000	-	-
Projected Certified - CPO Processed (RSPO Certified) (mt)	62,700	-	-
Projected Certified - PK Processed (RSPO Certified) (mt)	12,825	-	-

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Table 8B: Summary of Trading volumes (under PalmTrace)

Details as per RSPO Certification System Document		
	CPO (mt)	PK (mt)
Last year's (Projected) – Certified volume (RSPO Certified) Dec 2017- Nov 2018	59,625	11,925
a) Last year's Actual sold volume (RSPO Certified)	39,348.04	8,521.59
b) Last year's Actual sold volume * (Other Schemes Certified)	0	0
c) Last Year's Actual sold volume ** Conventional	3,173.25	0
Total of (a) + (b) + (c)	42,521.29	8,521.59
Note: Volume's sold are based on previous 11 months – Dec 2017 until Oct 2018 only. Volumes expected for trade in Nov 2018 were not available for verification at time of audit.		
New (Projected) Certified Volume (RSPO Certified) Dec 2018 - Nov 2019	62,700	12,825

Notes:

- Verified that the total Actual sold (for last year) has not exceeded the Projected (for last year)
- * The volumes under 'Other Schemes certified' is basically under ISCC scheme.
- ** 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 (NCR) and Observations (OBS) identified against the MYNI Compliance Indicators is as per the details below:

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Initial Assessment	2016	2 Minor	1	Actions taken on the NC and OBS verified to be effective during ASA-01 except for the Minor NC# JMD-01 (which is upgraded to Major NC because of reoccurrence).
Annual Surveillance - 01	2017	10 (8 Major, 2 Minor)	3	Actions taken on the NCs and OBS verified to be effective during ASA-02.
Annual Surveillance - 02	2018	5 (0 Major, 5 Minor)	5	Next assessment

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

The status of the Noncompliance (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
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Initial Assessment	2016	2 Minor	1	Actions taken on the NC and OBS verified to be effective during ASA-01 except for the Minor NC# JMD-01 (which is upgraded to Major NC because of reoccurrence).
Annual Surveillance - 01	2017	10 (8 Major, 2 Minor)	3	Actions taken on the NCs and OBS verified to be effective during ASA-02.
Annual Surveillance - 02	2018	5 (0 Major, 5 Minor)	5	Next assessment

3.2.1 Year 2018: 5 Minor NCs

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Minor : JMD-01	2.1.3	Date issued: 22 Sept 2018
		Requirement: 2.1.3 A mechanism for ensuring compliance shall be implemented.
		Statement of Nonconformance: Mechanism to ensure contractors compliance with relevant regulations is inadequate.
		Evidence of Nonconformance:
		Location: Meliau Estate and Nangoh Estate
		Two FFB/EFB transport contractors were found to have not completely submitted a copy of the necessary documents to prove their compliance with the relevant regulations, i.e. no submission of workers' passports, work permits, driving license, road tax and foreign workers insurance.
		Root Cause and Corrective Action(s): by Auditee representative

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		<p>Root cause: Insufficient monitoring effort made by the estate management on to ensure contractors are fully abide with the legal requirement compliances.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> 1. To establish a contractor compliance monitoring guideline as a minimum detail guidance for operating unit management reference. While awaiting the final document to be endorsed by IOI HQ, the current guideline established will be briefed to operating units by March 2019. <p><u>Status as of 11.02.2019:</u> The guideline initially has been prepared by the sustainability team and was further revised internally however the overall content and context are subject to be further reviewed and endorsed by IOI HQ as impact on its implementation may directly or indirectly affect operation region wide. Pamol grouping Operating Unit are aware on the initial compliance monitoring guideline which had been previously communicated on verbal basis during the internal audit session conducted by the sustainability team. Timeline needed for full briefing & implementation review: By July 2019.</p> <ol style="list-style-type: none"> 2. Joint meeting to be held at least once in yearly basis between the IOI regional management, respective estate and contractors in purpose to deliver the objective of the monitoring implementation mechanism according to legal requirement and act as an indirect monitoring mechanism form. <p><u>Status as of 11.02.2019:</u> The meeting has been scheduled in February 2019, tentatively on 12th. Invitation letter has been sent to contractors to attend such joint meeting at Pamol Executive and Staff Club House. Timeline needed for full briefing & implementation: By end Feb 2019.</p>
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		Off-site verification carried out confirmed on the response on corrective action plan and partial evidences submitted: The proposed meetings and review of contractor compliance in accordance to RSPO, IOI and related legal requirements are in progress. CH plan for full review of contractors' compliance performance to be completed by July 2019 is evaluated and accepted for closure.
		Conclusion: Corrective action plans and corrections taken and submitted as evidences at the audited sites are adequate to address the issues and accepted for closure.
		NC status verified by auditor: Closed by AL Date closed: 12 Feb 2019
		Verification (for effectiveness): At next Assessment ASA-03
		NC status verified by auditor: Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Minor AL-01	4.3.3	Date issued: 22 Sept 2018
		Requirement: 4.3.3 A road maintenance programme shall be in place.
		Statement of Nonconformance: Road maintenance programme is not effectively implemented
		Evidence of Nonconformance:

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		<p>Location: Bayok Estate:</p> <p>During field inspection, several stretches of field roads at field blocks visited were found to be having many potholes, spillages of FFB and EFB were noted at those stretches. Road maintenance programme was available for 2018 /2019 but the maintenance done for the said field roads were found to be inadequate and behind schedule.</p>		
		<p>Root Cause and Corrective Action(s): by Auditee representative</p> <p>Root cause: There is no execution made on the road maintenance programme mainly due to road could not be accessed since weather is bad with a consistent heavy rain before audit commence.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> 1. To resume the execution of road maintenance programme at respective field blocks. 2. Refresher briefing / training to be conducted for the estate management to ensure such activity is monitored accordingly and in the case of delay work schedule, estate is to ensure reasonable justification is prepared with expected period plan to resume. <p><u>Status as of 11.02.2019:</u> The road along 97B, 07A, and 07E in Bayok Estate had been repaired by the execution team, the Road Team for Pamol Grouping. Briefing on the road programme had been carried out by Mr. Hasanuddin Gessa. Any delay on the plan shall be informed to the respective estate to adjust plan together with justification accordingly. Timeline needed for full implementation review: By end Feb 2019.</p>		
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>Off-site verification carried out confirmed the response on action plan and documentary evidences submitted: Review and tighter monitoring/execution of road maintenance programs are in progress. CH proposed briefing /training on monitoring and full implementation review to be completed by end Feb 2019 is acceptable.</p> <p>Conclusion: Corrective action plans and corrections taken and submitted as evidences at the audited sites are adequate to address the issues and accepted for closure.</p>		
		<table style="width: 100%; border: none;"> <tr> <td style="border: none;">NC status verified by auditor: Closed by AL</td> <td style="border: none;">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 (for effectiveness): At next Assessment ASA-03</p>		
		<table style="width: 100%; border: none;"> <tr> <td style="border: none;">NC status verified by auditor:</td> <td style="border: none;">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)
Minor : SH-01	4.4.1	Date issued: 22 Sept 2018
		Requirement:
		4.4.1 An implemented water management plan shall be in place.
		Statement of Nonconformance:
		The implemented water management plan was not site specific.
		Evidence of Nonconformance:

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		<p>Location:</p> <p>Estates – Meliau, Nangoh, Bayok and Rungus estates</p> <p>4. The water management plan produced was generic in nature and is not site specific.</p> <p>5. Water samples for quality analysis, at the inlet and outlet of stream/river passing through the estates was not conducted i.e. Sungai Padau Lawan, Sungai Padau Madau, Sungai Paliau, Sungai Wanyang, Sungai Kimansi and Sungai Tungod. It is noted that the water sampling analysis conducted by the EIA consultant was for replanting purpose.</p> <p>6. At some sites, there was no marking for the water sampling points, both on the field and on the maps.</p>
		<p>Root Cause and Corrective Action(s): by Auditee representative</p> <p>Root cause:</p> <ol style="list-style-type: none"> 1. The review period for the water management plan was limited prior audit commence causing the inclusion of relevant rigid information was absent. 2. The expectation of IOI on the water sampling carried out by the engaged environmental consultant as complete and adequate is deniable which has causes non-compliance issuance during assessment. 3. The marking was not yet prepared since the additional water sampling point has yet to be identified. <p>Corrective Action:</p> <ol style="list-style-type: none"> 1. The water management plan document will be revised to add on relevant inputs and review shall take into account within a month period before the final endorsed document be released by SPO Department prior audit commence. 2. Each estate unit is responsible to identify the inlet and outlet locations of water sampling points for each river as mentioned. Water sampling will be carried out at least twice a year and analysis by laboratory shall take place. 3. Once identification of the water sampling points for the inlet and outlet are done, respective estates will make submission request to the GIS Department to digitalize on their estate maps for record and monitoring. <p><u>Status as of 11.02.2019:</u></p> <ol style="list-style-type: none"> 1. The water management plan is currently under revision by the sustainability team. Internal peer review will further take place with expected review completion by April 2019. 2. Identification of the inlet and outlet point of the stream water sampling has been made. The stream water sampling and quality analysis will be carried out by an external environmental consultant. 3. Request to GIS Department on to digitalize the stream water sampling point on map is still in progress. <p style="text-align: center;">Expected completion and full implementation review: By July 2019.</p>
		<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: Review and revision of Water Management Plans at the PMU estates and updates of the estate maps with indication of the additional water sampling points and water analysis being done are in progress. CH proposed monitoring and full implementation review to be completed by July 2019 is acceptable.</p>
		<p>Conclusion:</p> <p>Corrective action plans and corrections taken, submitted as documentary evidences at the audited sites are adequate to address the issues and accepted for closure.</p>

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	NC status verified by auditor: Closed by AL & SH	Date closed: 13 Feb 2019
	Verification (for effectiveness): At next Assessment ASA-03	
	NC status verified by auditor:	Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Minor : JMD-02	6.8.3	Date issued: 22 Sept 2018
		Requirement: 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.
		Statement of Nonconformance: Promotion of workers to their new roles are not adequately documented.
		Evidence of Nonconformance:
		Location: Meliau, Nangoh, Bayok and Rungus estates
		It was found that several field general workers were promoted to new positions in line with their skills and work experience such as 'mandores, 'tractor drivers' and mechanics. However the changes to their new job and responsibilities involved were made on verbal basis. Documentation such as appointment and records of acceptance should be documented and retained.
		Root Cause and Corrective Action(s): by Auditee representative
		Root cause: In the current worker contract agreement, the clause on changes of job function is not stated.
		Corrective Action:
		1. Regardless of what type of job held by the employee, the employment is mentioned as Plantation Worker in accordance to the employee work pass. However, to ensure that the changes is adequately documented, an addendum to the contract agreement stating on changes of job function will be prepared. Expected completion: By March 2019
		2. The newly prepared job function will be briefed to all workers. Expected completion: By March 2019
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		Off-site verification carried out confirmed the corrective action plans submitted as follows: (1) The additional documentations needed in the contract of agreement for the plantation workers and employees are progressively done. CH proposed expected completion date by March 2019 is accepted (2) Briefing to be conducted on the documentation changes for the relevant personnel. CH proposed timeline of completion of said activity by March 2019 is accepted.
Conclusion: Corrective action plans and corrections taken and submitted for the audited sites are adequate to address the issues and accepted for closure.		
NC status verified by auditor: Closed by AL & JMD	Date closed: 12 Feb 2019	
Verification (for effectiveness): At next Assessment ASA-03		
NC status verified by auditor:	Date verified:	

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NC#	MYNI Indicator	Details of Non-Conformance (NC)
Minor : JMD-03	6.13.2	Date issued: 22 Sept 2018
		Requirement: 6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.
		Statement of Nonconformance: Measures taken by the plantation management to ensure children of foreign workers attending school is inadequate.
		Evidence of Nonconformance:
		Location: Meliau Estate and Nangoh Estate
		A few children were found wandering around at the workers quarters and not attending school during school day. The parents admitted that they are hesitant to send their children to school as they had received many complaints about their children behavior at school and to avoid incidences that could lead to other issues.
		Root Cause and Corrective Action(s): by Auditee representative
		Root cause: The current education facility located only at Ulu Estate is inadequate to cater the number of children eligible to attend school. In addition, absence of the importance of a positive benefit to convince the parents on the importance of education for their children.
		Corrective Action:
		1. Management to consider the viability of establishing new school at Meliau and Nangoh Estate. <u>Status as of 11.02.2019:</u> No new school will be built as other viable alternatives were considered. Part of the community hall building was renovated to cater the needs to set up a HUMANA school at the vicinity of Meliau & Nangoh Estate. Currently being occupied by both estates' Humana students after renovation had completed. Action taken is completed on 11.02.2019
		2. To hold an education awareness talk to boost the positivity of parent mentality on the importance of children education. <u>Status as of 11.02.2019:</u> There is a programme planned in collaboration with the regional team management however discussion on the programme details are still ongoing. Expected completion: By May 2019
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		Off-site verification carried out confirmed the following response on action plan and evidences submitted: (1) The viability of establishing a new school to cater for the increased number of children at the PMU estates or the expansion of existing facilities was considered by Management. Photographic evidences of the renovated community hall for the subject purpose has adequately addressed the issue. (2) Ongoing meetings are being held with all the parents of the children to emphasize the importance of education and monitoring of their children's progress is being addressed. CH proposed timeline for completion and review of implementation by May 2019 is accepted.
Conclusion: Corrective action plans and corrections taken and submitted as evidences at the audited sites are adequate to address the issues and accepted for closure.		
NC status verified by auditor: Closed by AL & JMD Date closed: 13 Feb 2019		
Verification (for effectiveness): At next Assessment ASA-03		

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		NC status verified by auditor:	Date verified:
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3.2.2 Year 2018: 4 Observations

Ref No:	MYNI Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any
OBS: AL-01	4.6.5	<p>Nangoh estate</p> <p>It was found that the premixed chemical containers for field application were not consistently labelled or tagged with the information on type of pesticides it contained.</p>	22 Sept 2018	Next assessment	
OBS: AL-02	5.1.2	<p>Meliau estate</p> <p>Appropriate measures need to be taken to ensure that there will be no negative impacts to the environment at the mini recreation areas at Sungai Paliau.</p>	22 Sept 2018	Next assessment	
OBS: SH-01	4.4.1 (5.2.1 related)	<p>Meliau, Nangoh, Bayok & Rungus estates</p> <p>Signages relating to the permissible and prohibited activities was observed to be insufficient and not placed at strategic locations at and along riparian and conservation areas.</p>	22 Sept 2018	Next assessment	
OBS: JMD-01	6.5.1	<p>Meliau estate</p> <p>In the summary for Annual Leave Pay, the details of total offered days for work in the year was not included in VLP report. The absenteeism percentage calculation should show at least one decimal point for accurate round off. This can be improved to ensure clarity when determine workers eligibility for the annual leave pay.</p>	22 Sept 2018	Next assessment	
OBS: JMD-02	6.5.3	<p>Meliau and Nangoh estates</p> <ol style="list-style-type: none"> 4. There was a lapse in linesite inspection between 25 Aug 2018 and 14 Sep 2018 as the person in-charge was away attending a training. Proper re-scheduling need to be in place. 5. For good practice, the review of outpatient treatment records should be conducted by the VMO. 6. Patient referred to Clinic - KK Nangoh by the EHA should be followed up until the treatment was completed. 	22 Sept 2018	Next assessment	

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3.2.3 Year 2017 ASA-01: 10 NCRs (8 Major and 2 Minor)

NCR	MYNI Indicator	Details of NCR		
Major CBK-01	4.5.1	Date issued: 15/09/2017		
		<p>Nonconformance:</p> <p>At Tindakon Estate, the programmes for planting beneficial plants such as <i>Cassia cobanensis</i>, <i>Tunera Subuleta</i> and <i>Antigonan leptopus</i> were established for FY2016/2017 and 2017/2018.</p> <p>However, there had been no planting during FY2016/2017 and only 16 chains of Antigonan were planted from Jul to Sep 2017. Noted that the planting of beneficial plants had not been implemented according to the established programmes but there were no reasons given for the programmes being not implemented accordingly.</p>		
		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: Lack of awareness on the new SOP Beneficial Plant information and implementation. The program also was establish without consider the weather condition which the reason the programme not being implemented.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> i. To revised IPM programme of Beneficial Plan. There is no minimum plan to plant beneficial plant in the flood prone area. ii. To conduct refresher training on SOP Beneficial Plants. iii. To provide a new format record of Beneficial Plant with remark/justification area/column. 		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Revised IPM program indicating the planned and actual planting, to date area plated and remarks column. Records of training conducted on 20/09/2017 and SOP. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 30%;">Date closed: 27/10/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 27/10/2017
		NC status verified by auditor: Closed by OCL	Date closed: 27/10/2017	
		<p>Verification (for effectiveness): In ASA-02 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.</p>		

NCR	MYNI Indicator	Details of NCR
Major CBK-02	4.6.5	Date issued: 15/09/2017
		<p>Nonconformance:</p> <p>At Ulu Estate and Tindakon Estate, the changing rooms are not suitable for the fertilizer and weedicide/pesticide workers. There are insufficient shower booths for the groups of workers.</p>

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		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: Changing rooms were provided but inadequate to cater the number of the agrochemical applicator.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> i. To add new building with adequate rooms to cater the needs to have a shower cleanse of the agrochemical applicators after work. ii. The construction start on middle of October 2017 and estimate to be complete on middle of November 2017 iii. SPO department will issue NC letter for estate which not have sufficient shower room and need to prepare action plan. 		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Approved capital expenditure for the new building with adequate shower rooms and photos of construction in progress. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<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: 27/10/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 27/10/2017
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		<p>Verification (for effectiveness): In ASA-02 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.</p>		

NCR	MYNI Indicator	Details of NCR		
Major CBK-03	4.6.11	Date issued: 15/09/2017		
		<p>Nonconformance:</p> <p>At Sugut Estate, the two workers (Nensi Marani and Sainab Sarra), who were applying glyphosate at Field Block 02A had not undergone the annual medical surveillance for more than 12 months.</p>		
		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause:</p> <p>-The two workers applied for leave from 10th May 2017 until 2nd September 2017 to go back to their domiciled country. Both workers came back to Sugut estate sometime on the second week of August.</p> <p>-Medical surveillance for Pamol group is usually conducted on the third week of July. As such, these two workers were unable to attend as they were away from Sugut estate.</p> <p>-The field staff in charge of these two workers, failed to notify the assistant manager when they reported for work sometime on the third week of August. As a result, the medical surveillance was erroneously not conducted.</p>		
		<p>Corrective Action:</p> <ol style="list-style-type: none"> i. The two workers were sent for medical surveillance at Klinik Elupora Sdn Bhd on 13th September 2017. ii. Sugut manager will raised the medical surveillance requirements during the estate management meeting. EHA, Field Staff and assistant manager will be the responsible persons to ensure affected workers are sent for the medical surveillance when it is due. iii. Reminder letter to EHA, Field Staff and Assistance manager on this issue to make sure no recurrence of the issue. 		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: The two workers sent for medical surveillance on 13/09/2017 and certified fit for work with pesticides. Minutes of Safety Meeting on 18/09/2017. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<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: 27/10/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 27/10/2017
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		Verification (for effectiveness): In ASA-02 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.
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NCR	MYNI Indicator	Details of NCR
Major CBK-04	4.7.4	Date issued: 15/09/2017
		Nonconformance: At Pamol Palm Oil Mill, the accident case dated 27 Apr 2017 had not been reviewed or discussed by the Safety Committee.
		Root Cause and Corrective Action(s): Root Cause: -The accident case that happened on 27 th April 2017, was discussed during the meeting. However, the secretary did not to pick up and record it. -The minutes of meeting dated 25.7.2017 is not a final document. Its contents are still subject to changes. The minutes of meeting will only be final after it has been proposed, seconded and accepted by the committee during the next safety and Health committee meeting. The next meeting is expected to be conducted on the fourth week of October.
		Corrective Action: <ul style="list-style-type: none"> i. An extract of the relevant minute of meeting where the accident case was discussed is attached. This will be further deliberated during the next meeting. ii. SPO and HSE Team will continuously monitor whether the accident cases have been minute in the meeting iii. A second person will be appointed during the meeting to record agendas discuss. iv. Mill Manager will issue the letter to safety committee regarding appointed seconded minute taker.
		Verification (Corrective Action): Off-site verification carried out confirmed the following evidences submitted: Recorded for the case to be further deliberated at next meeting. Letter of appointment dated 05/10/2017. . The corrective actions satisfactorily addressed the non-conformance.
		NC status verified by auditor: Closed by OCL
		Verification (for effectiveness): In ASA-02 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.

NCR	MYNI Indicator	Details of NCR
Major OCL-01	2.3.1	Date issued: 15/09/2017
		Nonconformance: The Ulu Estate map did not clearly indicate the stretch of the Bonggaya Forest Reserve outside the north boundary that have been taken up by villagers and Tabung Haji Plantation and changes in the landscape status with supporting evidence.

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		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: Estate overlooked the current situation at field which should be inform to GIS department for preparing update map.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> 1. 1. Estate to request update map from GIS Department based on latest verification. 2. 2. GIS to conduct survey and aerial verification on the ground 3. 3. GIS to prepare update latest details map and image of the affected area. 4. 4. Management to issue the letter to estate on map verification. 	
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Latest map of Ulu Estate updated to indicate the current landscape at the north boundary.</p>	
		NC status verified by auditor: Closed by OCL	Date closed: 14/11/2017
		<p>Verification (for effectiveness): In ASA-02 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.</p>	

NCR	MYNI Indicator	Details of NCR	
Major OCL-02	5.1.2	Date issued: 15/09/2017	
		<p>Nonconformance:</p> <p>(1) There are two water ponds (one large pond and another smaller pond) located near to the housing area at block 05M and block 97A in Sugut Estate. The ponds have been identified as conservation areas (0.12 ha and 1.9 ha) as they are the sources of water for domestic use after treatment. There is an appropriate signboard near the pump house and also perimeter fencing had been erected around part of the ponds. However, the perimeter fencing is not complete and also the palm trees within the buffer zone of the ponds were not demarcated to indicate that no spraying and manuring are allowed in the buffer zone. Also, additional signboards are required at more locations around the ponds.</p> <p>(2) There is a water pond located in block 15C at Tindakon Estate. The pond has been identified as a conservation area (0.2 ha) as it is a source of water for domestic use after treatment. The water supply is from the nearby Sungai Kimansi. Currently, the pond is being extended to increase its capacity. Noted that the perimeter fencing is not in a state of disrepair. The extension of the pond has caused palm trees to be within the buffer zone and noted that demarcation of the zone where spraying and manuring are not allowed has not been done.</p> <p>As a Minor NC# SH-01 had been raised against the same requirement in the previous assessment, this finding is now upgraded to Major NC as it is a recurring non-conformance.</p>	
		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: (1) and (2) Inadequate marking along the stretches of the pond.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> i. Immediate demarcation marks along the stretches of the pond. ii. Additional signage indicating Conservation Area to be erected near the pond. iii. As a continuous management and monitoring plan, a refresher training on HCV and Conservation Area will be given to estate relevant personnel to enhance monitoring system practice at estate. 	

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		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Photos showing signboard and demarcation for the ponds in both estates. Training conducted for sprayers and manurers at Sugut Estate and Tindakon Estate on 14/10/2017 and 17/10/2017 respectively with training materials, attendance lists and photos. 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: 27/10/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 27/10/2017
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NCR	MYNI Indicator	Details of NCR		
Major OCL-03	RSPO SCCS D.3.1 (b)	Date issued: 15/09/2017		
		<p>Nonconformance:</p> <p>RSPO SCCS training for relevant POM employees conducted on 08/09/2017. However, the subcontractors' workers for the barge transportation of CPO and lorry transportation of PK were not present for the said training as evident from the attendance list.</p>		
		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: Absence of training programme to external party related to the mill product despatch.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> i. To revise the SCC training programme to include the external transporter. ii. To conduct a training on the new SCCS requirement for the external transporter for year 2017. iii. To send letter of invitation on annual SCCS training. 		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Training conducted on 20/09/2017 with attendance list and photo. 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: 27/10/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 27/10/2017
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<p>Verification (for effectiveness): In ASA-02 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.</p>				

NCR	MYNI Indicator	Details of NCR
Major	6.5.2	Date issued: 15/09/2017

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JMD-01		<p>Nonconformance:</p> <p>(1) According to Sabah Labour Ordinance, Section 103(4), any employee who is absent from work on the working day immediately before and/or after any public holiday without prior consent of his employer, shall not be entitled to any holiday pay, unless he has a reasonable excuse for such absence. However, in Ulu Estate and Tindakon Estate, it was found that some harvesters who turned up for work immediately before and after some public holidays were not paid with necessary payments. Some of the public holidays involved were National Day on 31 Aug 2016, Labour Day on 1 May 2017, Harvest Festival on 30-31 May 2017 and Hari Raya Puasa 25-26 Jun 2017.</p> <p>(2) It was found that in Sugut Estate and Ulu Estate, there was one case each that the field staff entered incorrect attendance codes for two general workers in the workers' check-roll. In the case that occurred in Sugut Estate, the code given by the field staff could impact the eligibility of the worker for the Vacation Leave Pay at the end of the year. In the case that occurred in Ulu Estate, the code given by the field staff could reduce the number of annual leave that the worker is still entitled for the year 2017.</p> <p>Root Cause and Corrective Action (s):</p> <p>Root Cause:</p> <p>(1) Technicality cause due to lack of awareness given to the clerk responsible in payroll through the PinfoPalm system for harvester records. (2) Absence of law necessity understanding for compliance.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> (i). To extract the list of person affected workers (not paid for a gazetted Public Holiday) from August 2016 until August 2017 according to the Public Holiday Schedule for the year 2016 and 2017 approved for Ulu and Tindakon estate. (ii). Proof of payment for the affected workers. Sample made on few workers. (iii). Briefing to all workers for awareness on the Public Holiday payment eligibility in accordance to Sabah Labour Ordinance under Section 103 (4). (iv). Training for payroll clerk and field staff (at least twice a year) on the correct usage of Pinfosys code to be entered into system reflecting attendance and task carried out on daily basis. <p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: List of names and proof of payments for both estates. Training conducted on 17/10/2017 with training materials, attendance list and photo. The corrective actions satisfactorily addressed the non-conformance.</p> <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: 27/10/2017</td> </tr> </table> <p>Verification (for effectiveness): In ASA-02 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.</p>	NC status verified by auditor: Closed by OCL	Date closed: 27/10/2017
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NCR	MYNI Indicator	Details of NCR
Minor OCL-01	5.1.3	<p>Date issued: 15/09/2017</p> <p>Nonconformance:</p> <p>At Block 10F in Ulu Estate, there is a stream flowing into sedimentation pond (identified as Sedimentation Pond No.2) that is connected to the Labuk river. It was found that the palm trees in the riparian zone along the stream were not demarcated to indicate that no spraying and manuring are allowed in the riparian zone.</p>

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		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: The palm not demarcated in the earlier because the area not consider as riparian reserve/buffer zone. The area only manmade drain to flow out the water from estate field and lack of awareness on no spraying closely to drain which lead to the stream.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> To provide a clear demarcation marking at the riparian zone. To conduct training on prohibition activity at riparian zone. 	
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Photo of demarcation of palms. Training conducted on 13/10/2017 with training materials, attendance list and photo. The corrective actions satisfactorily addressed the non-conformance.</p>	
		NC status verified by auditor: Closed by OCL	Date closed: 27/10/2017
		<p>Verification (for effectiveness): In ASA-02 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.</p>	

NCR	MYNI Indicator	Details of NCR	
Minor JMD-01	6.2.3	Date issued: 15/09/2017	
		<p>Nonconformance:</p> <p>Except for Meliau Estate, the stakeholders' lists in all the other estates found to be incomplete as names and contact details of the neighbouring estates and smallholders were not clearly stated. In most cases only names and contact details of representatives from nearby villages are listed, which might not necessary be the owners of any oil palm smallholdings neighbouring to the estates within the Pamol (Sabah) PMU.</p>	
		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: Absence of a standardize format for stakeholder listing form.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> A standardized format of stakeholder listing form will be prepared by SPO Department in due course. To provide an updated stakeholder list using the new standardized format form. 	
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Stakeholders list of standard format. Revised stakeholders lists distributed on 03/10/2017. The corrective actions satisfactorily addressed the non-conformance.</p>	
		NC status verified by auditor: Closed by OCL	Date closed: 27/10/2017
		<p>Verification (for effectiveness): In ASA-02 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.</p>	

3.2.4 Year 2017: 3 Observations

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

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OBS# CBK-01	4.7.5	Sugut, Ulu and Tindakan Estates	The Emergency Response Plan in the event of fire need to be tested for effectiveness at the estate office and the workers' living quarters.	15 Sep 2017	22 Sept 2018	Addressed & closed
OBS# JMD-01	6.5.2	Pamol POM	It was found that the mill management has been deducting the wages of the workers for saving purposes at the rate of RM70/worker/month. The practice is not covered in the allowable deduction permit issued by Labour Office. During the SPO internal audit, this practice was found and instruction to stop and return the amount deducted has been issued.	15 Sep 2017	22 Sept 2018	Addressed & closed
OBS# JMD-02	6.5.2	Pamol POM	It was found that 2016 vacation leave for one worker was not paid accordingly. During the SPO internal audit, the issue was raised and the payment will be included in Sep 2017 payslip.	15 Sep 2017	22 Sept 2018	Addressed & closed

3.2.5 Identified Positive Elements

- 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.

3.3 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 Pamol (Sabah) 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 10 Aug 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 feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: No 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			



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<p>21/9/2018. A total of 5 stakeholders (including contractor, school and local community) 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:</p> <ol style="list-style-type: none">1. Only one housing unit for married teacher provided currently. Recommendation is to provide one ore housing unit for single HUMANA teachers.2. HUMANA class rooms are currently overcrowded. Recommendation is to provide more class room spaces for HUMANA students.3. Currently students are sitting on the floor or sharing crowded tables and long chairs. Recommendation is to provide sufficient furniture, esp. desks and chairs, for students.4. Currently one student is assigned to ensure safety of students at the back of the school truck. Recommendation is to provide one worker to ensure safety of students at the back of the school bus.5. Wiring at HUMANA is problematic due to frequent power failures. They are also signs of break in into the school. Recommendation is to improve safety and security at the HUMANA school.6. Some stretch of roads frequently used by the villagers are near to and in need of repair. Recommendation is, while	<p>The PMU will consider the concerns and suggestions from the stakeholders (briefed by the auditors during the closing meeting.)</p>	<p>To be followed up during the next Assessment.</p>	
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<p>conducting field road grading, the estate management should also grade nearby roads to the villages.</p> <p>7. Bayok Estate is currently conducting river de-silting activities. Recommendation is management should focus on rivers leading into the villages to ensure the rivers flow undisturbed.</p> <p>8. Villagers are currently applying for land titles around their villages. Recommendation is for estate management to share GIS map with Kalagan Jaya villagers in order for the villagers to know exactly their boundary with the estate and apply land title from Land Dept.</p>			
<p>Worker Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from: 18 - 22 Sept 2018 at the PMU:</p> <p>Staff / Workers sampling: POM = 12 males, 11 females Estate Offices = 7 males, 8 females Field/sites visit = 18 males, 23 females</p> <p>No issues raised by the sampled staff and workers.</p>	No response needed.	No response needed.	Nil
<p>Other Interested parties: No feedback received.</p>	No response needed.	No response needed.	Nil

3.3.2 Feedback Raised by Stakeholders: Previous – Year 2017

Communication done via email on 9 Aug 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: Feedback via email letter dated 16 Aug 2017 from the Department of Environment, Sandakan, Sabah. This feedback stated that the Pamol (Sabah) Grouping complied with</p>			

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<p>all the requirements specified in the license no. 004842 issued by the Department and the Environmental Quality Act 1974. Comment made regarding the requirements for workshop to comply with the Environmental Quality Regulations (Scheduled Waste) 2005. Details of the feedback are in the attached document below:</p> <div style="text-align: center;">  <p>Feedback - Jabatan Alam Sekitar Cawang</p> </div> <p>Feedback via email letter dated 24 Aug 2017 from the Malaysian Palm Oil Board (MPOB). The Director General of MPOB stated that MSPO certification has been made mandatory by 31 Dec 2019 and asked what are the actions taken by IOI Pamol group to ensure all IOI Pamol estates and mill are certified with MSPO. Details of the feedback are in the attached document below:</p> <div style="text-align: center;">  <p>Comment from Director General of M</p> </div>	<p>The PMU responded to the feedback and comments via letter (attached below).</p> <div style="text-align: center;">  <p>Reply to DOE Sandakan.tif</p> </div> <p>The PMU responded to the comments via letter (attached below).</p> <div style="text-align: center;">  <p>Reply to MPOB.tif</p> </div>	<p>The response by the PMU verified to be satisfactory.</p> <p>The response by the PMU verified to be satisfactory.</p>	<p>Nil</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 14 Sep 2017. A total of 8 stakeholders (2 Humana school, 3 Village Heads, 1 Villager, 1 church and 1 school) 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:</p>			

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<ol style="list-style-type: none"> 1. Estate roads bordering the villages (Talungan, Bayok & Mengkaniok) had not been maintained. 2. Roads not passable during flood near Gate E (Rancangan Cocos). Request IOI to raise the level of road for length of about 300 chains. 3. Gate E is opened from 6 am to 6 pm. Request for extension till 8 pm. 4. Humana School now has 239 pupils. Request for IOI to contribute to construct additional classrooms. 5. There are accident cases where villagers were hit by vehicles at the village areas. 6. Access into the villages through IOI area require a sticker that is to be displayed on the windshield. This sticker is charged at RM5.00 per motorbike and RM10.00 per car. Request a waiver for the villagers. 7. Villagers inform they were issued summons by JPJ because the stickers were not registered with JPJ. 8. Additional living quarters for Humana teachers requested. 	<p>The PMU will consider the concerns and suggestions from the stakeholders (briefed by the auditors during the closing meeting.)</p>	<p>To be followed up during the next Assessment.</p>	<p>Verified that appropriate actions were taken during on-site assessment in 2018.</p>
<p>Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 11 to 15 Sep 2017 at the PMU:</p> <p>Staff/Workers sampling: POM = 10 males, 12 females Estate Offices = 20 males, 26 females Field/sites visit = 25 males, 41 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 Pamol (Sabah) 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 Pamol (Sabah) Grouping be approved.

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 Pamol (Sabah) Grouping

Certificate No:	RSPO 930988
Original Start date:	30 Nov 2016
Expiry date:	29 Nov 2021
New PalmTrace License Start date:	30 Nov 2018
PalmTrace License End date:	29 Nov 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:	Pamol (Sabah) Sdn Bhd (Pamol, Sabah Grouping)
Address of POM:	Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, 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		
Pamol (Sabah) Sdn Bhd - Palm Oil Mill (Capacity: 51 MT/hour)	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°00'08.75"	E 117°23'54.20"	-	-
1. Ulu Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°00'19.76"	E 117°23'44.70"	1,495	1,836.93
2. Bayok Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°59'46.50"	E 117°26'27.74"	1,874	2,209.93
3. Rungus Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°59'59.82"	E 117°20'33.04"	1,972	2,126.86
4. Tindakon Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°57'48.02"	E 117°20'54.78"	1,633	2,089.70
5. Nangoh Estate	Milik Berganda Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702 Sandakan, Sabah, Malaysia	N 05°57'19.48"	E 117°17'17.92"	2,500	2,279.35
6. Meliau Estate	Milik Berganda Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702 Sandakan, Sabah, Malaysia	N 05°56'4.49"	E 117°14'54.89"	1,293	2,998.65
7. Sugut Estate	Pamol Plantations Sdn Bhd, Mile 200, Nangoh Paitan Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°13'15.10"	E 117°29'41.82"	1,506	1,792.34



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

Pamol (Sabah) POM	Annual Tonnages (MT)
Certified FFB	285,000
Certified CPO	62,700
Certified PK	12,825
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. Sazali Hasni (SH) – Assessor / Technical Expert

(Environment, Conservation and HCV area)
- Bachelor of Science (Forestry)

Mr. Sazali Hasni has over 25 years work experience in the forestry sector. He is an IRCA Auditor for ISO 9001 and auditor for the PEFC Chain-of-Custody Certification. He has successfully completed training in the RSPO P&C, MYNI Lead Assessor course. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research based projects. 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.

Mr. Jumat Majid – Assessor / Technical Expert

(Social Responsibility and Workers Welfare)
– BSc (Social Science)

Mr. Jumat Majid (JM) has over 13 years work experience in the agriculture sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and RSPO P&C MY-NI Lead Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2010. He is also an Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

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Appendix B:

Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
18 September 2018 Tuesday (Day 1)	9.00 am – 1.00 pm	Travel from Sandakan airport to Pamol (Palm Oil Mill)		
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm – 2.30 pm	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	2.30 pm – 5.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
		AL	SH	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • 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 • P5 Environmental, Conservation & HCV (incl. GHG calculations) • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Social - Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	<ul style="list-style-type: none"> • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with Minimum requirements for Multiple Management units 			
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
19 September 2018 (Day 2)	8.30 am – 12.30pm	Site assessment at Estate 1 - Bayok <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings (if any) • P8 Continual Improvement 	Site assessment at Estate 1 <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Estate 1 <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Social - 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 1		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

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Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
20 September 2018 (Day 3)	8.30 am – 12.30pm	Site assessment at Estate 2 - Rungus <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New plantings (if any) • P8 Continual Improvement 	Site assessment at Estate 2 <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Estate 2 <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Social - 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 – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
21 September 2018 (Day 4)	8.30 am – 12.30pm	Site assessment at Estate 3 - Nangoh <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New plantings (if any) • P8 Continual Improvement 	Site assessment at Estate 3 <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Estate 3 <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Social - 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 - Meliau <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P8 Continual Improvement 	Site assessment at Estate 4 <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Estate 4 <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Social - Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

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Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
22 September 2018 Saturday (Day 5)	8.30 am – 10.00 am	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P3 Economic & Financial Viability • 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 	Notes: 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. 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
	10.00 am – 11.00 am	Preparation for Closing Meeting		
	11.00 pm – 12.00 noon	Closing Meeting & Briefing at Palm Oil Mill Office		
	1.00 pm onward	Travel to Airport		
	4.30 pm – 7.30 pm	Flight back to KL		

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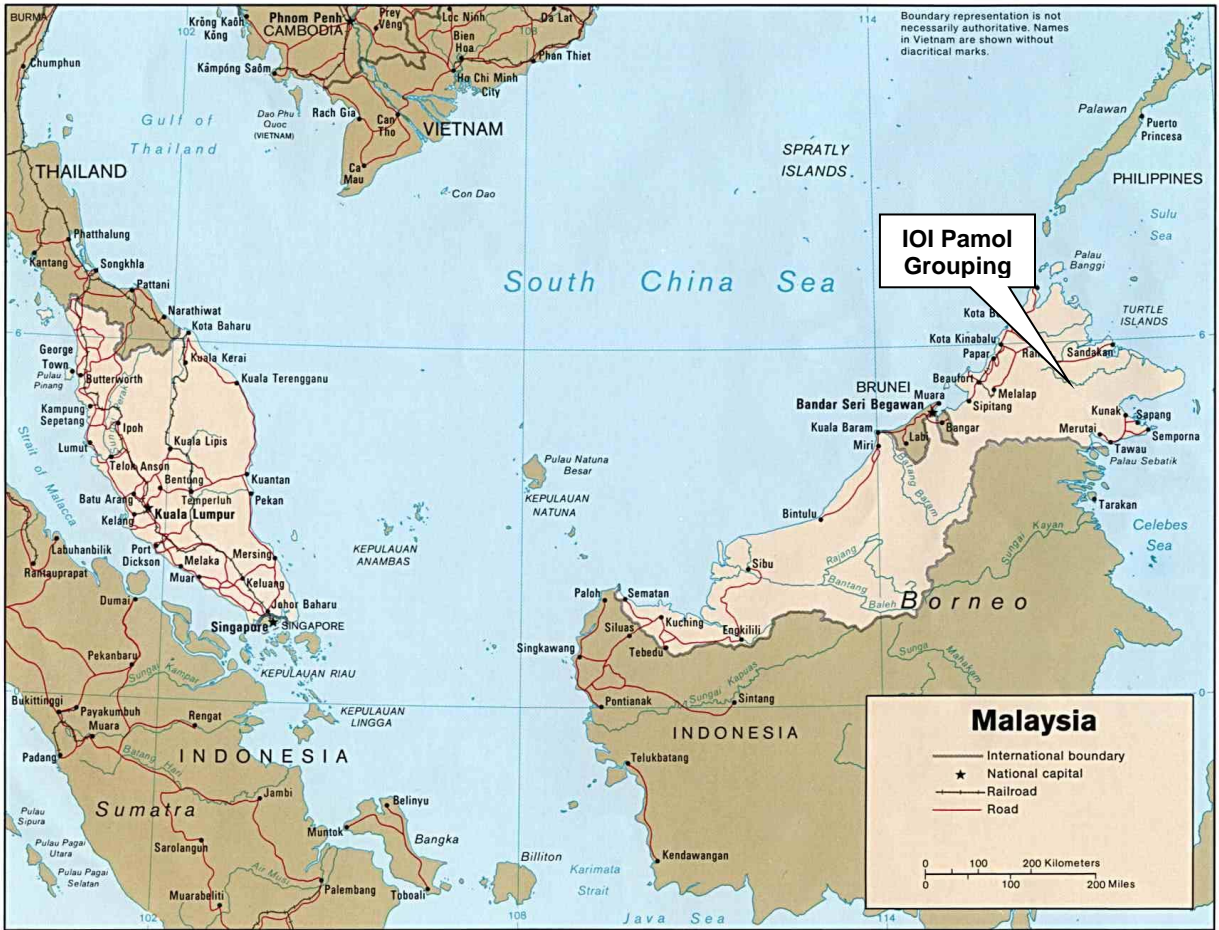
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Appendix C-1:

Location Map of IOI Pamol (Sabah) Grouping, Sandakan, Sabah



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Appendix C-1-1: Map of Ulu Estate



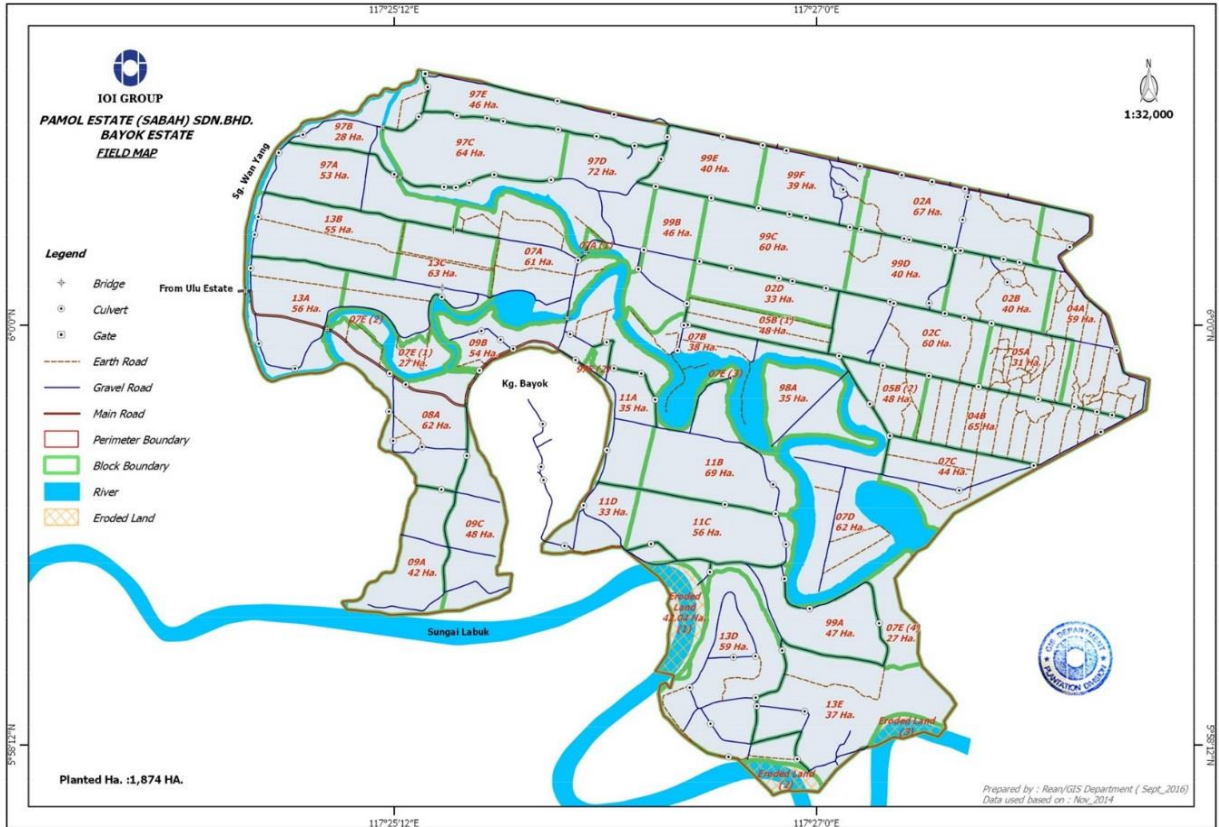
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Appendix C-1-2: Map of Bayok Estate

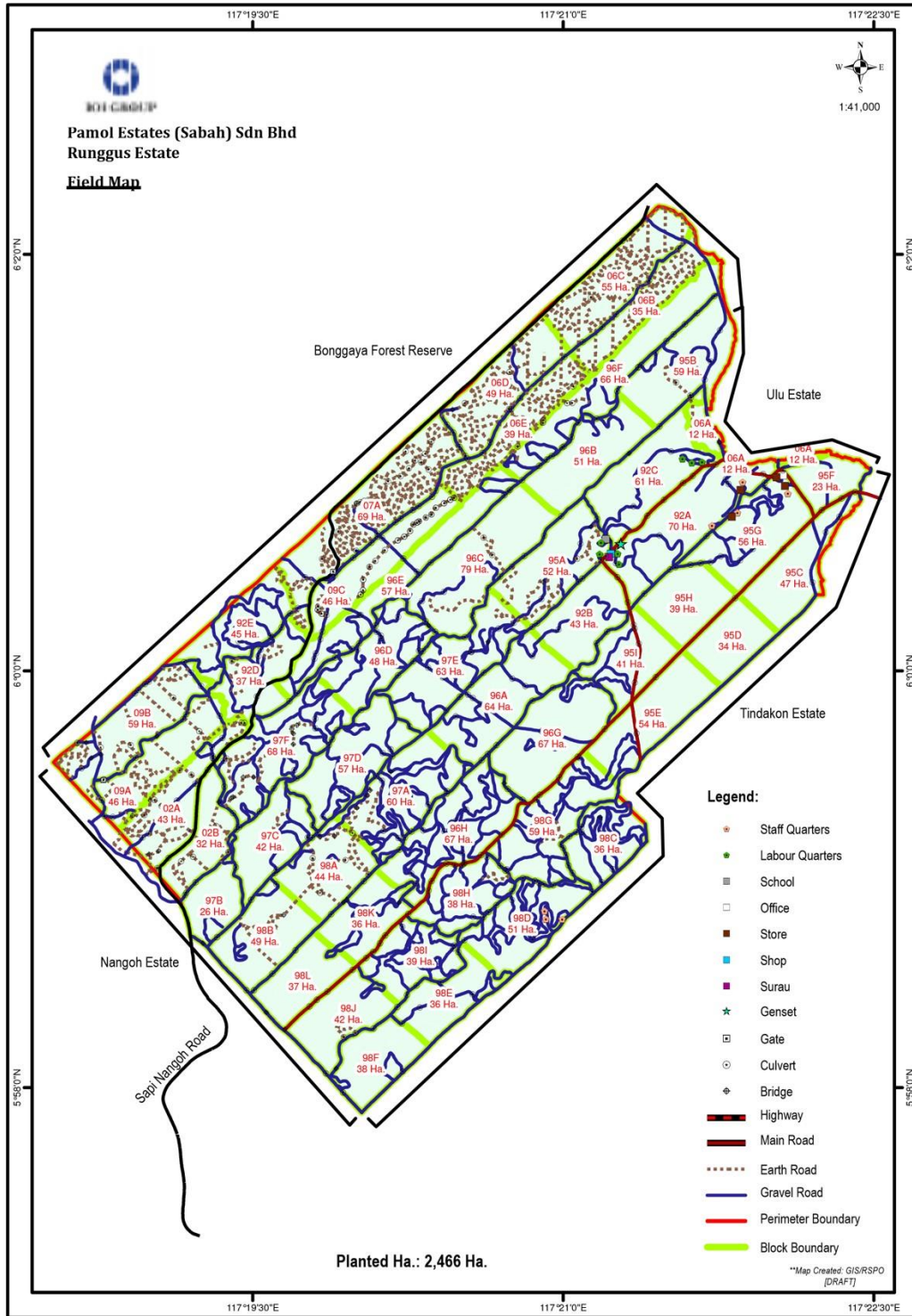


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Appendix C-1-3: Map of Rungus Estate



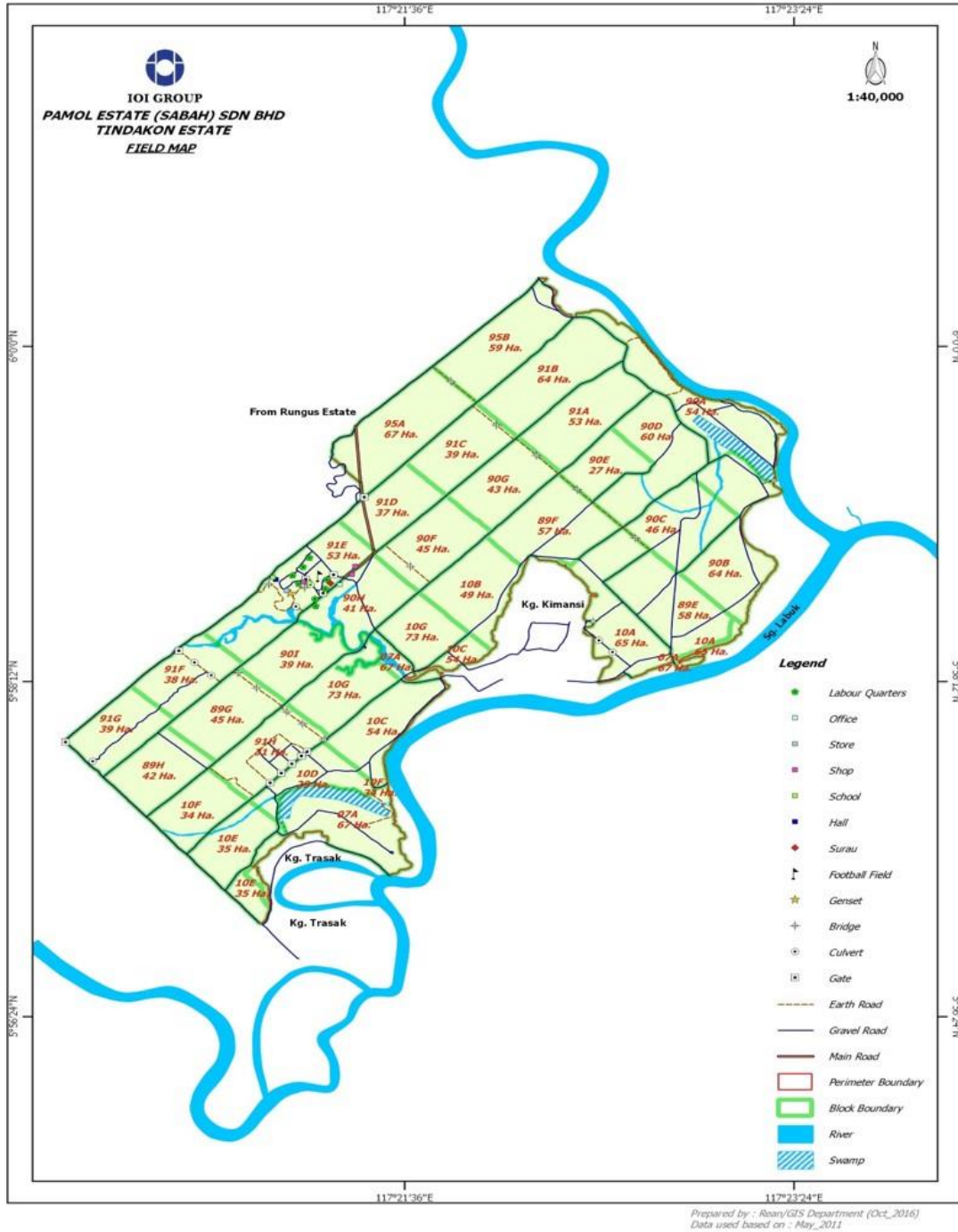
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Appendix C-1-4: Map of Tindakon Estate



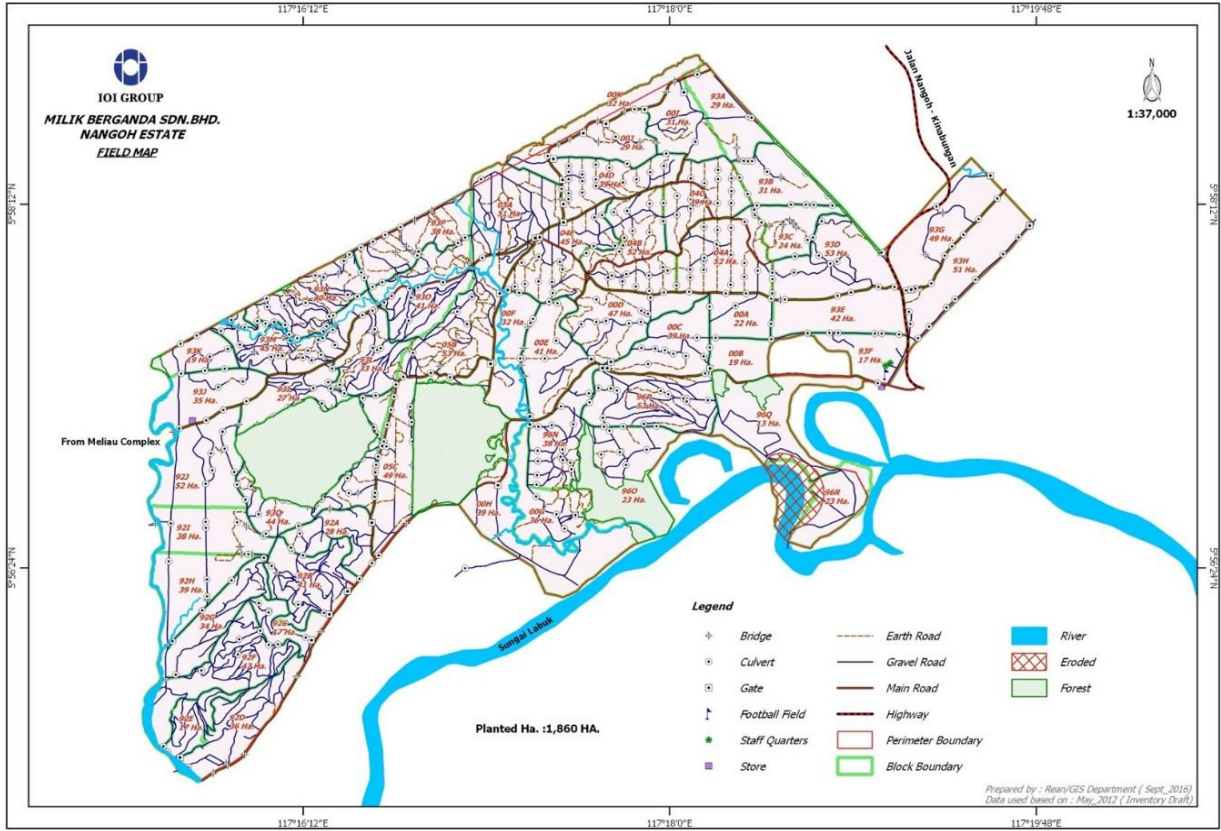
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Appendix C-1-5: Map of Nangoh Estate

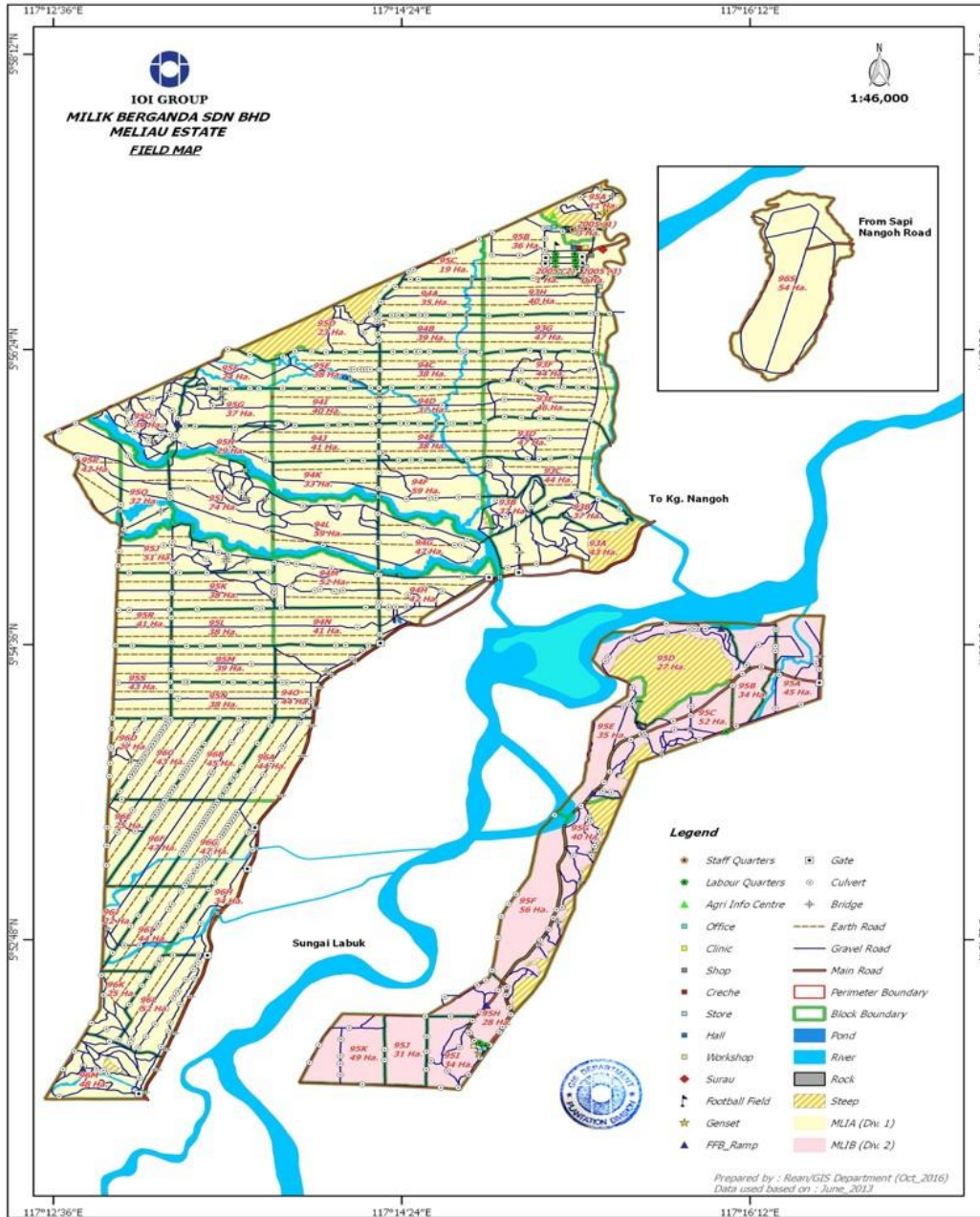


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Appendix C-1-6: Map of Meliau Estate



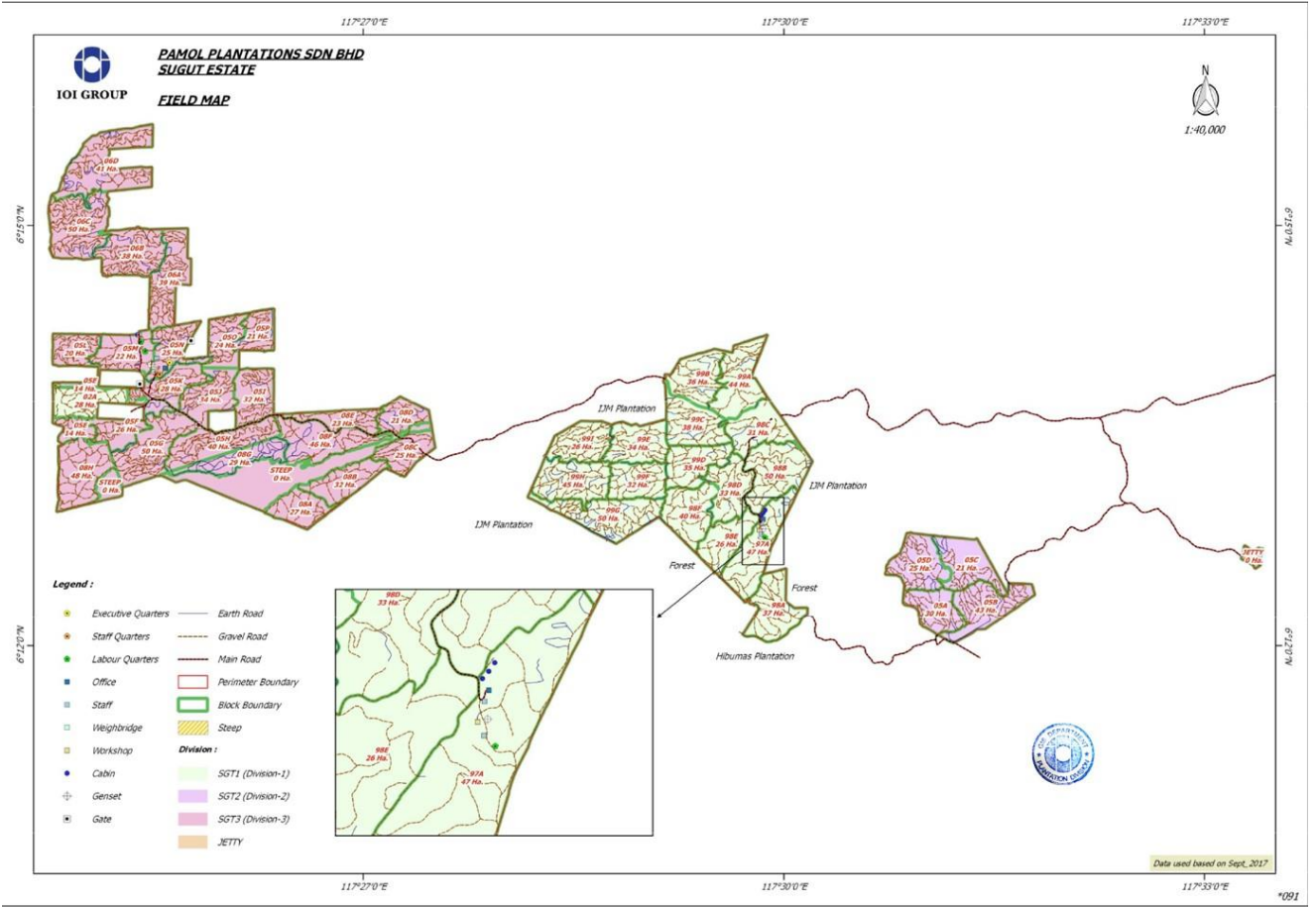
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Appendix C-1-7: Map of Sugut Estate



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Appendix D:

Photographs of Assessment findings at Pamol (Sabah) PMU



Pamol POM and CPO Storage tanks



Signages at riparian buffer zones - Nangoh estate.



Signages at riparian buffer zones – Bayok estate.



Signboards at buffer zones near boundary with Botitian Forest Reserve – Rungus estate

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Appendix E:

Time Bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (updated Aug 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.	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>
14.	Unico POM-1, Sabah	Feb 2018	Certified in June 2018	ASA-01 planned in 2019	No outstanding issues.

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15.	Unico Desa POM-2, Sabah	Jan 2018	Certified in May 2018	ASA-01 planned in 2019	No outstanding issues.
16.	PT SKS, Indonesia	Planned - 2019	Uncertified Unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental 'Hak Guna Usaha' (HGU) application in progress	Update on the RSPO Suspension and complaint by Aidenvironment –Final verification by RSPO CP was conducted in end of January 2018. Final report on the feedback from the verification visit is expected to be shared to IOI in March 2018 Certification preparations in progress. Pending issuance of HGU
17.	PT BNS, Indonesia	Planned - 2019	Uncertified Unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental HGU application in process.	Update on the RSPO Suspension and complaint by Aidenvironment –Final verification by RSPO CP was conducted in end of January 2018. Final report on the feedback from the verification visit is expected to be shared to IOI in March 2018 Certification preparations in progress. Pending issuance of HGU
18.	PT BSS, Indonesia	Planned - 2019	Uncertified Unit	Acquired in 2009 (new concession land). No POM yet, still in development phase. Governmental 'Hak Guna Usaha' application in progress.	Update on the RSPO Suspension and complaint by Aidenvironment –Final verification by RSPO CP was conducted in end of January 2018. Final report on the feedback from the verification visit is expected to be shared to IOI in March 2018 Certification preparations in progress. Pending issuance of HGU
19.	PT KPAM, Indonesia	Planned - 2020	Uncertified Unit	Acquired in 2010 (new concession land). No POM planned yet, all necessary permits are up to date.	HCV Assessment report has been sent to HCVRN on 20 th November 2017. Received Letter of Satisfactory from HCVRN on 25 th November 2017 Currently at the stage of final verification by Certification Body before the final submission to RSPO. IOI Public statement on PT KPAM – June 2018 http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=882

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Appendix F:

Summary of RSPO CP decisions and RSPO Case Tracking on IOI Group (updated 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 (according to RSPO complaint case tracker) 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), IOI Group

Weblink: <http://www.rspo.org/members/complaints/status-of-complaints/view/80>

24 January 2018 (CP Meeting):

The verification exercise is taking place on 25–29 Jan 2018. Secretariat to follow up with the verification team. The Secretariat will also be having a post verification meeting with the team on 31 Jan 2018.

ii) RSPO Case Tracker on: IOI Pelita Sdn Bhd, Sarawak

Weblink: <https://www.rspo.org/members/complaints/status-of-complaints/view/4>

24 January 2018 (CP Meeting):

Secretariat to proceed with a meeting with the Company and Grassroots to discuss the revision to the Action Plan.

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>

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