

**MSPO CERTIFICATION
INITIAL AUDIT
SUMMARY REPORT**

**IOI CORPORATION BERHAD
Mayvin Oil Palm Estates Grouping
Sandakan, Sabah, Malaysia**

Certificate No:	INTERTEK MSPO 006 B
Start date:	28 December 2018
Expiry date:	27 December 2023
Audit Type	Audit Dates
Initial / Stage 2	6 – 9 August 2018
Annual Surveillance - 01	
Annual Surveillance - 02	
Annual Surveillance - 03	
Annual Surveillance - 04	
Re-Certification	

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1.0 SCOPE OF AUDIT

1.1 Introduction

This Initial Audit was conducted on the Mayvin Oil Palm Plantation / Estates of IOI Corporation Berhad (hereafter abbreviated as IOI), from **6 – 9 August 2018**, to assess the organization's operations of the Pam Oil Mill and its FFB supplying plantations / estates are in compliance against the **MSPO Standard for Oil Palm Plantations (MSPO MS 2530-3: 2013)**.

The Mayvin Oil Palm Plantation is made up of a grouping of estates supplying FFB to the Mayvin Palm Oil Mill, which are owned and managed under IOI Corporation Berhad.

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

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

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

Name	Address	GPS Reference	
		Latitude	Longitude
Mayvin Palm Oil Mill	Mayvin Incorporated Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	N 05°33'19.08"	E 117°13'35.18"
Mayvin 1 Estate	Sri Mayvin Plantation Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	N 05°35'3.12"	E 117°13'52.10"
Mayvin 2 Estate	Sri Mayvin Plantation Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	N 05°32'40.31"	E 117°13'30.79"
Mayvin 5 Estate	Gamore Corporation Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	N 05°28'22.37"	E 117°20'12.01"
Mayvin 6 Estate	Gamore Corporation Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	N 05°29'1.57"	E 117°22'22.30"
Tangkalap Estate	Palmco Plantations (Sabah) Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	N 05°29'33.32"	E 117°15'52.63"

Table 1A: MPOB License and Validity Period

Mill / Estate Unit	Legal Entity Name & MPOB Licence No	Start date	Expiry date
Mayvin Palm Oil Mill	Mayvin Incorporated Sdn Bhd License No: 500271304000	01.11.2017	31.10.2018
Mayvin 1 Estate	Sri Mayvin Plantation Sdn Bhd License No: 508801402000	01.07.2018	30.06.2019
Mayvin 2 Estate	Sri Mayvin Plantation Sdn Bhd License No: 508801402000	01.07.2018	30.06.2019
Mayvin 5 Estate	Gamore Corporation Sdn Bhd License No: 502715502000	01.08.2018	31.07.2019
Mayvin 6 Estate	Gamore Corporation Sdn Bhd: License No: 502715502000	01.08.2018	31.07.2019
Tangkalap Estate	Palmco Plantations (Sabah) Sdn Bhd License No: 502653102000	01.06.2018	31.05.2019

1.3 Description of FFB supply base

The supply base, i.e. FFB sources to the POM at Mayvin Grouping are from the abovementioned 5 estates owned by IOI. Note: It is noted during audit that there are occasional diversion of FFB crop from other IOI estates (which are not under the IOI Mayvin grouping estates) to the Mayvin POM.

Verification done on site during the audit confirmed that there were no outgrowers / independent suppliers / smallholders involved in the supply of FFB to the said POM.

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



Table 2: Estate Area Summary

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

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas and the identified Conservation areas including HCV areas marked out at the selected estates.
2. The estates sampled for this Assessment have been selected based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

1.4 Summary of plantings and cycle

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

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

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) - Planted
Mayvin 1 Estate	1994, 1995	1 st Cycle	852	0	852
	2014, 2015, 2016, 2018	2 nd Cycle	437	200	637
		s-total	1,289		
Mayvin 2 Estate	1995, 1996	1 st Cycle	800	0	800
	2015, 2016, 2017, 2018	2 nd Cycle	194	614	808
		s-total	994		
Mayvin 5 Estate	1996, 1997	1 st Cycle	1,586	0	1,586
	-	-	-	-	-
		s-total	1,586		
Mayvin 6 Estate	1997, 1998	1 st Cycle	1,683	0	1,683
	-	-	-	-	-
		s-total	1,683		
Tangkalap Estate	1994	1 st Cycle	239	0	239
	2013, 2014, 2015, 2017	2 nd Cycle	1,487	334	1,821
		s-total	1,726		
G-Total			7,278	1,148	8,426

1.5 Summary of Land Use

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

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

#	Statement of Land Use (Ha)	Hectarage – Ha (Current year: 2018)
1	Oil Palm - Planted Area (ha)	8,426
	- OP Mature (Production)	7,278
	- OP Immature (Non-Production)	1,148
	- OP Planted on Peat	0
	- Other crop such as Rubber etc.	0



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2	Conservation Area (ha)	477.76
	- Conservation (forested)	6.43
	- Conservation (non-forested)	471.33
	Note: Conservation areas comprise of unplanted steep / hilly and swampy and other unplatable areas.	
3	HCV Area (ha)	
	Areas which have HCV 1 to 6 as defined under HCV RN 2013	0

1.6 Other certifications held and Use of MSPO Trademarks

Currently, the other certification held by IOI Mayvin POM and Estates Grouping are the RSPO P&C Certification and also the ISCC certification which are valid.

The MSPO trademarks and logo are not used by the POM / Estates audited. Instructions for use were provided and acknowledged by the POM / Estates through a signed Memorandum of commitment agreeing to adhere to the latest "MSPO Rules on Use of Logos and Trademarks; provided prior to the Audit.

1.7 Organizational information / Contact Person

At Head Office:
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IOI Corporation Berhad
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Email: raymond.alfred@ioigroup.com

At Mayvin Grouping - PMU:
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General Manager,
IOI Plantation Services Sdn Bhd,
Sandakan Regional Office,
Mile 45, Jalan Sandakan/Telupid,
W.D.T.No 164, 90009 Sandakan, Sabah, Malaysia
Tel: 089 509101/102
Fax: 089 509100
Email: hwleang@ioigroup.com



1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM for processing at the Mayvin Grouping based on the **actual for the past 12 months (July 2017- June 2018)** is as in Table 5 below:

Table 5: Tonnages Verified for Certification (Period July 2017-June 2018)

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Palm Oil Mill	MSPO Certification By CB
1.	Mayvin 1 Estate	29,085.05	Mayvin Palm Oil Mill	-
2.	Mayvin 2 Estate	25,168.11	Mayvin Palm Oil Mill	-
3.	Mayvin 5 Estate	45,711.70	Mayvin Palm Oil Mill	-
4.	Mayvin 6 Estate	50,794.32	Mayvin Palm Oil Mill	-
5.	Tangkulap Estate	31,963.25	Mayvin Palm Oil Mill	-
6.	Meliau Estate	3,012.46	Pamol Palm Oil Mill	SGS (M) SDN BHD
7.	Nangoh Estate	1,528.43	Pamol Palm Oil Mill	SGS (M) SDN BHD
8.	Rungus Estate	101.40	Pamol Palm Oil Mill	SGS (M) SDN BHD
9.	Tindakon Estate	96.24	Pamol Palm Oil Mill	SGS (M) SDN BHD
	Grand total:	187,460.96		

Note: FFB as diverted from the other oil palm estates namely Meliau, Nangoh, Rungus and Tindakon (under Pamol Grouping) are also MSPO certified



1.8.2 Total annual volumes / tonnages of FFB supplied from the supply base to Mayvin Grouping POM during the previous, current and projected period are as shown in Table 6 below:

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

Estate / Supplier	FFB Processed in Financial Year 2016/17 - Actual		FFB Processed in Financial Year 2017/18 - Actual		FFB for Processing Financial Year 2018/19 - Projected	
	MT	%	MT	%	MT	%
Mayvin 1 Estate	23,676.87	14.59	29,085.05	15.51	29,570	16.31
Mayvin 2 Estate	28,653.77	17.65	25,168.11	13.43	23,190	12.79
Mayvin 5 Estate	40,199.32	24.76	45,711.70	24.38	42,620	23.50
Mayvin 6 Estate	46,003.80	28.34	50,794.32	27.10	48,840	26.94
Tangkalap Estate	23,789.53	14.66	31,963.25	17.05	37,100	20.46
Meliau Estate	-	-	3,012.46	1.61	-	-
Nangoh Estate	-	-	1,528.43	0.82	-	-
Rungus Estate	-	-	101.40	0.05	-	-
Tindakon Estate	-	-	96.24	0.05	-	-
Total	162,323.29	100.00	187,460.96	100.00	181,320	100.00

*Note: No FFB crop diversion from the other IOI group estates to Mayvin POM for FY 2018/2019 is projected

1.8.3 The annual tonnages of FFB, CPO and PK produced by the POM verified during this **current audit and projected for next 12 months** are detailed as follows:

Table 7: Annual Tonnages – FFB, CPO & PK

POM	Actual - 2016		Actual - 2017		Projected - 2018	
Total FFB Processed (MT)	162,323.29		187,460.96		181,320	
Total CPO Production (MT)	35,838.56	OER: 22.08%	40,472.38	OER: 21.59%	39,889	OER: 22.00%
Total PK Production (MT)	8,345.52	KER: 5.14%	10,129.77	KER: 5.40%	9,519	KER: 5.25%



1.9 Abbreviations Used

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



2.0 AUDITING PROCESS

2.1 Auditing Methodology, Plan and Site Visits

Since 3 July 2018, Intertek has initiated stakeholder communications and notifications via emails to the relevant stakeholders before the audit to provide feedback and comments on their concern (if any) on the Mayvin Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 6-8 August 2018, the Assessment team of Intertek conducted the Initial Assessment during which 3 out of the 5 estates of **Mayvin Grouping, namely Mayvin 1, Mayvin 5 and Tangkulap estates as well as the Palm Oil Mill** were assessed for compliance against the MSPO requirements.

The number of estates sampled was based on the sampling methodology with reference to the **MSPO Certification Scheme** i.e. minimum sample of x estates = $(\sqrt{y}) \times z$, 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 Low Risk ($z=1.0$) for this POM and Estates grouping 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. and the achievement of other sustainability certifications such as the RSPO and ISCC. Additionally the estates selection was made based on their potential risks on environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and HCV areas.

During the on-site audit, 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 Audit 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 audit and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

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

Intertek has also performed the evaluation of conformity against the MSPO Certification System requirements for CBs. The audit report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Review and the External Peer Reviews prior to the approval of this report and decision on certification by Intertek.

2.2 Date of next scheduled visit

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

2.3 Qualifications of the Lead Auditor and Audit Team

Competency details of the Lead Auditor and Audit 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 organisation dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO P&C, 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.

2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming audit via e-mails sent to the relevant stakeholders including government agencies, NGOs and local communities. E-mails and telephone enquiries were made prior to the actual audit and stakeholder's response and feedback received were followed up accordingly.

During the audit, stakeholders (who were available) were interviewed and their feedbacks were recorded and followed up during audit. Among the stakeholders consulted were workers, trade union leaders, women representatives; local community leaders, representatives of government departments / agencies and NGOs, suppliers and contractors.



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. Department of Environment, Johor
11. Department of Forestry, Johor
12. Department of Immigration, Johor
13. Department of Irrigation & Drainage, Johor
14. Department of Labour, Johor
15. Department of Occupational Safety & Health, Johor
16. Department of Wildlife & National Parks, Johor
17. Land and Mines Office, Johor
18. Pertubuhan Keselamatan Sosial (SOCSO), Johor
19. Department of Immigration, Pahang
20. Department of Irrigation & Drainage, Pahang
21. Department of Labour, Pahang
22. Department of Occupational Safety & Health, Pahang
23. Department of Wildlife & National Parks, Pahang
24. Land and Mines Office, Pahang

Statutory Bodies (by emails)

25. Malaysian Palm Oil Board (MPOB)
26. Malaysian Palm Oil Board (MPOB) - Northern Region
27. Malaysian Palm Oil Board (MPOB) - Central Region
28. Malaysian Palm Oil Board (MPOB) - Southern Region
29. Malaysian Palm Oil Board (MPOB) - Eastern Region
30. Malaysian Palm Oil Board (MPOB) - Sarawak Region
31. Malaysian Palm Oil Board (MPOB) - Sabah Region
32. Malaysia Palm Oil Association (MPOA)
33. Malaysia Palm Oil Association Kuala Lumpur (MPOA)
34. Malaysia Palm Oil Association Sabah (MPOA)
35. UNION – AMESU

NGOs (by emails)

36. All Women's Action Society (AWAM)
37. BCSDM - Business Council for Sustainable Development in Malaysia
38. Borneo Child Aid Society (Humana)
39. Borneo Resources Institute Malaysia (BRIMAS)
40. Borneo Rhino Alliance (BORA)
41. Center for Orang Asli Concerns COAC
42. Centre for Environment, Technology and Development, Malaysia - CETDEM
43. Eco Knights
44. ENO Asia Environment
45. Environmental Management and Research Association of Malaysia (ENSEARCH)
46. Environmental Protection Society Malaysia (EPSM)
47. Friends of the Earth, Malaysia
48. Future in Our Hands Society, Malaysia
49. Global Environment Centre
50. HUTAN - Kinabatangan Orang-utan Conservation Programme
51. Institute of Foresters, Malaysia (IRIM)
52. JUST - International Movement for a Just World
53. Malaysian CropLife & Public Health Association (MCPA)
54. Malaysian Environmental NGOs - MENGO



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55. Malaysian National Animal Welfare Foundation – MNAWF
56. Malaysian Nature Society Johor
57. Malaysian Nature Society Pahang
58. Malaysian Plant Protection Society (MAPPS)
59. National Council of Welfare & Social Development Malaysia - NCWSDM
60. National Union of Plantation Workers (NUPW)
61. Partners of Community Organisations (PACOS)
62. Pesticide Action Network Asia and the Pacific (PAN AP)
63. Proforest - South East Asia Regional Office
64. R.E.A.C.H. - Regional Environmental Awareness Cameron Highlands
65. SUARAM - Suara Rakyat Malaysia
66. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia
67. Sustainable Development Network Malaysia (SUSDEN)
68. Tenaganita Sdn Bhd
69. The Malaysian Forum of Environmental Journalist (MFEJ)
70. TRAFFIC Southeast Asia - Wildlife trade & trafficking monitoring programme
71. Transparency International - Malaysian Chapter
72. Treat Every Environment Special Sdn Bhd. (TrEES)
73. United Nations Development Programme - UNDP Malaysia
74. Wetlands International (Malaysia)
75. Wild Asia Sdn Bhd
76. World Wide Fund for Nature (WWF) Malaysia

Local community (On-site interviews)

77. Consultative Committee & Gender representatives
78. Workers & Workers representatives
79. Village Heads & representatives
80. Suppliers & Contractors representatives



3.0 AUDIT FINDINGS

3.1 Summary of findings

Certification Unit: Mayvin Oil Palm Estates Grouping	
Auditor/s: Augustine Loh (AL), Chin Bit Kee (CBK), Ahmad Kamal (AK) and Edwin Chua (Provisional Auditor)	Audit Dates: 6-9 Aug 2018

P1: Management Commitment & Responsibility

Clause	Requirements	Evidence	Conformity
4.1.1	C1: MSPO Policy		
4.1.1.1	Indicator 1: A policy for the implementation of MSPO shall be established.	IOI Corporation Berhad has documented the Group Sustainable Palm Oil Policy (SPOP) dated 12 Jun 2017 alongside a detailed Sustainability Implementation Plan (SIP). The company has documented its MSPO Policy to comply with all applicable legislation and codes of practice within the SIP.	Complied
4.1.1.2	Indicator 2: The policy shall also emphasize commitment to continual improvement.	The policy had also clearly stated the company's commitment which included continual improvement in the overall aspects of plantation management and community development.	Complied
4.1.2	C2: Internal audit		
4.1.2.1	Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	There is a documented procedure for conducting Internal audit. The Internal Audit Procedure SOP 8 Issue 1 Rev 0 (17/02/2018) stated that audit shall be planned and carried out once a year. It also stated that additional internal audits shall be conducted based upon the number of non-conformances raised, new process or changes in system and any issues raised by interested parties.	Complied
4.1.2.2	Indicator 2: The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	A procedure for internal audit was established and documented i.e. MSPO/StOP/IA/1 (Rev 01, dated 1 Aug 2017). Internal audits were conducted at Mayvin 1, Mayvin 5 and Tangkulap estates on 8 May, 25 April and 23 April 2018 respectively. The internal audits were done by the Sustainable Palm Oil (SPO) team headed by Ms Veronica Abel (Sandakan region) and all nonconformities are followed up by the team for Corrective Actions taken for closure. There were a total of 10 non-conformances raised during the Internal audits at the said estates. Audit results were evaluated and adequate corrective actions were taken on the non-conformances.	Complied
4.1.2.3	Indicator 3: Report shall be made available to the management for their review.	The audit reports were documented and made available for Management review.	Complied
4.1.3	C3: Management review		
4.1.3.1	Indicator 1: The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	Management review at the estates were noted held on 27 April (Mayvin 1), 20 April (Mayvin 5) and 29 April 2018 (Tangkulap) and minutes of meeting maintained. The management review include the following: (1) Analysis of the audit findings to demonstrate that the audit was effective and can be relied upon. (2) Review of environmental issues. (3) Review of social issues. (4) Review of safety issues (5) Continual improvement and changes to the system, if any.	Complied
4.1.4	C4: Continual improvement		
4.1.4.1	Indicator 1: The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	Action plans for continual improvement on social and environment impact and opportunities for improvement in operational performance have been specified and documented for the estates. The action plans include measurable objectives/targets in order to determine the effectiveness of the outcomes.	Complied



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4.1.4.2	Indicator 2: The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption.	Meetings and consultations were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company. Portable Palm Data Device was used at the field of estates for FFB bunch checking, counting and reporting.	Complied
4.1.4.3	Indicator 3: An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.	Training to workers in various aspects of plantation management were conducted throughout the year. Training was provided to Field Supervisors and Mandores on the use of the Portable Palm Data Device.	Complied

P2: Transparency

Clause	Requirements	Evidence	Conformity
4.2.1	C1: Transparency of information and documents relevant to MSPO requirements		
4.2.1.1	Indicator 1: The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	The IOI's Group consultation and communication procedures are available via website link: http://www.ioigroup.com/corporateresponsibility/environment_plantation.cfm The management has adopted an open and transparent method of communication and consultation when dealing with relevant parties e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings. Communications are in Bahasa Malaysia, English and local / native languages.	Complied
4.2.1.2	Indicator 2: Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	Management documents such as Policies, Stakeholder consultation processes, Financial Annual Reports are available upon request and at the IOI website: http://www.ioigroup.com/Content/S/S_Policy Any commercially confidential information will need special request before being provided.	Complied
4.2.2	C2: Transparent method of communication and consultation		
4.2.2.1	Indicator 1: Procedures shall be established for consultation and communication with the relevant stakeholders.	The management had established procedures and mechanisms to conduct stakeholders consultations, handle complaints and grievances through stakeholders meetings, Gender Consultative Committees (GCC), Employee Consultative Committees (ECC), Safety & Health Committees (SHC).	Complied
4.2.2.2	Indicator 2: A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	The Estate Managers are responsible for issues raised by local communities and other affected or interested parties. Social Liaison Officers are nominated to coordinate activities of the stakeholders, GCCs, ECCs and SHCs. Appointments letters as issued to the respective Social Liaison Officers.	Complied
4.2.2.3	Indicator 3: List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	The lists of stakeholders at the Estates are adequately maintained and kept current. The lists of stakeholders were used for inviting external stakeholders during external stakeholders' consultation. Records of consultation and communication included attendance lists, minutes of the meetings, photographs of the meetings and meeting notes. Minutes of meetings had noted deliberation of the issues raised and recommendations of actions to be taken and the follow-up.	Complied
4.2.3	C3: Traceability		



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4.2.3.1	Indicator 1: The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	The IOI Group has established, implemented and maintained a procedure for traceability of FFB from the estates to the CPO and PK produced by the POM. Documented SOP on Traceability: SOP/COC/3 Issue No. 05 dated 01/01/2018.	Complied
4.2.3.2	Indicator 2: The management shall conduct regular inspections on compliance with the established traceability system.	Compliance with the traceability system determined via regular inspections, checking of records and internal audits.	Complied
4.2.3.3	Indicator 3: The management should identify and assign suitable employees to implement and maintain the traceability system.	Assigned person is the Sustainability Palm Oil (SPO) Manager for Sabah region who is supported by team of assistants in the Sustainability team. Estates Organization Charts and job responsibilities of employees (Estate Managers, Assistant Manager, Security Officer, Weighbridge Operator and clerks) have been suitably defined for the implementation and maintenance of the traceability procedure. Interviews of the relevant staff confirmed their knowledge of the traceability requirements for their respective areas of operations.	Complied
4.2.3.4	Indicator 4: Records of sales, delivery or transportation of FFB shall be maintained.	All records of FFB harvested, transported and delivered to the POM were maintained and verified to be traceable via the Delivery Note, Lorry Ticket and Weighbridge Ticket which were maintained at the respective estate offices.	Complied

P3: Compliance to legal requirements

Clause	Requirements	Evidence	Conformity
4.3.1	C1: Regulatory requirements		
4.3.1.1	Indicator 1: All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	<p>The Legal Requirements Register covering the applicable local and international laws and regulations is available at the estates.</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. Levy and other deductions have been taken with the consent of the workers in accordance with the Sabah Labour Ordinance 1950, Employment Act 1955, FOMEMA (The Foreign Workers Medical Screening Expert) fees, for the health screening of foreign workers which was borne by the company and carried out as per the Ministry of Health guidelines. Compliance with these regulations, especially Employment Act 1955, by contractors engaged with the PMU was verified as satisfactory. In addition to the interview session conducted with the contractors, pay slips, working permits and passports of the contractor workers, were examined and verified to be all in order.</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>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals.</p>	



		<p>Medical history records of the workers were available and noted to be maintained. Land Assessment and statutory returns to relevant authorities found to be in compliance.</p> <p>However a noncompliance was issued as follows: At Mayvin 5 estate: The passport and work permit of a foreign worker was not available at the time of audit.</p>	Major NC: CBK-01
4.3.1.2	Indicator 2: The management shall list all laws applicable to their operations in a legal requirements register.	The organization has listed all local and international laws applicable to their operations in a Legal Requirements Register (LRR).	Complied
4.3.1.3	Indicator 3: The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	<p>The documented system for identifying, determining, reviewing and updating applicable legal and other requirements has been satisfactorily implemented. The Legal Requirements Register was verified to be reviewed for the estates on 3 July 2018 for any relevant updates. All relevant updates noted to be communicated by the IOI HQ to all estates within the IOI group. Listing of laws and regulations monitored with updated changes included the Sabah Labour Ordinance 1950, Employment Act 1955, regulations and circulars received from bodies such as DOE (Department of Environment) and DOSH (Department of Occupational Safety and Health), DID (Dept. of Irrigation and Drainage), Forestry Dept. and Wildlife Dept. which were noted to be satisfactorily adhered.</p>	Complied
4.3.1.4	Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	<p>Tracking of regulatory requirements and communication of changes is performed by the Senior General Manager at the IOI Group HQ, Putrajaya. The mechanism of tracking the law changes as identified from IOI Group HQ, would be distributed to all POMs and Estates via email. Monitoring of compliance is done by the Sustainability team headed by the Sustainability Executive (Sandakan region), who are based on site.</p>	Complied
4.3.2	C2: Land use rights		
4.3.2.1	Indicator 1: The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.	<p>Communities surrounding the estates are able to move freely without any issues or problems. Verified during site inspection that no such limitations had occurred.</p>	Complied
4.3.2.2	Indicator 2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	<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 the cultivation of oil palms and agricultural use. Sighted land titles were: Mayvin 1: CL-095316412 (Pejabat Tanah Sabah, dated 1984), Mayvin 5: CL-095314113 (Pejabat Tanah Sabah, dated 1984), Tangkulap: 99 CLs (Pejabat Tanah, Sabah, valid for total 5,627.41 Ha). There were no recorded or known disputes over the ownership of the land. No changes to the land ownership or new land acquisition since the last audit.</p>	Complied
4.3.2.3	Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palms and agricultural use. Locations of several boundary stones and pole markers were visited and verified to be within the boundary perimeter of the estates.</p>	Complied



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		On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates.	
4.3.2.4	Indicator 4: Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	There borders of the estates are not adjacent to any local villages and there has been reported case of any land disputes. As such, the process of fair compensation and FPIC is currently not required to be applied.	Complied
4.3.3	C3: Customary rights		
4.3.3.1	Indicator 1: Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	The Estates are operating in legally titled lands which are not encumbered by customary rights.	Complied
4.3.3.2	Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	Appropriate landscape maps with latitude & longitudes showing the legal boundary and neighbouring / surrounding areas of the estates were available and maintained. The lands at Mayvin Grouping are legally owned or leased by IOI Group and it is verified that there were no other users or affected parties in the land areas.	Complied
4.3.3.3	Indicator 3: Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	The Estates are operating in legally titled lands which are not encumbered by customary rights.	Complied

P4: Social responsibility, health, safety and employment condition - CBK

Clause	Requirements	Evidence	Conformity
4.4.1	C1: Social impact Audit (SIA)		
4.4.1.1	Indicator 1: Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	Social Impact Assessment report and Management Plans at the estates were documented by the Sustainability Team. The plans included monitoring of negative impacts and enhancement of positive ones. Social impact assessment [SIA] for the year 2018 for IOI Mayvin Grouping has been conducted together with relevant external and internal stakeholders in separate sessions in July 2018. The external consultations were attended by external stakeholders including suppliers, contractors, neighbouring estates, transporters, government agencies, etc. Monitoring records were retained and made available as evidence that actions had been taken.	Complied
4.4.2	C2: Complaints and grievances		
4.4.2.1	Indicator 1: A system for dealing with complaints and grievances shall be established and documented.	The management had established the Prosedur Aduan and Carta Alir Laporan Aduan on 21 Aug 2017. In addition, since Feb 2014, IOI had developed "Dasar Pemberi Maklumat (Whistleblowing)" [www.ioigroup.com/Content/CI/PDF/Corp_WhistleblowingPolicy.pdf] which was approved by "Jawatankuasa Audit dan Pengurusan Risiko".	Complied
4.4.2.2	Indicator 2: The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	The procedure and flowchart outlined the mechanism whereby all complaints or grievances will be received and be acted upon by the Social Liaison Officers who will investigate the matter and resolve with the affected parties. 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	Complied



		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. Records showed most complaints are related to repair and maintenance of houses and they were all attended to and the complaints were mostly resolved within one day or next day.	
4.4.2.3 Minor	Indicator 3: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	All complaints and grievances received are documented either in the form of log book as in the Grievance Book, meeting minutes for the ECC, 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. Other than reports made to the gender representatives, all other complaints and grievances are accessible to public. Complaint boxes are available at the entrances of offices where affected employees and other stakeholders can drop in their complaints to be acted upon by the Social Liaison Officers.	Complied
4.4.2.4 Minor	Indicator 4: Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	The Management informed the invited employees and surrounding communities at the internal and external Stakeholders consultations regarding the complaint / grievance procedure and feedback mechanism. Employees were informed of the complaint procedure during the Gender Consultative Committee and the Employee Consultative Committee.	Complied
4.4.2.5	Indicator 5: Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	The Complaint and Grievance Books that recorded the nature of complaints and the resolutions had been maintained and available for the past 3 years.	Complied
4.4.3	C3: Commitment to contribute to local sustainable development		
4.4.3.1 Minor	Indicator 1: Growers should contribute to local development in consultation with the local communities.	Contributions by the Estates Management to the local development was demonstrated in the provision of facilities and monetary contributions, where feasible such as employment for local community, donations to government schools and estate road access for ease of movement and travel for the local communities. The management also contributed school bags for school children attending the HUMANA schools established for the children of foreign workers.	Complied
4.4.4	C4: Employees safety and health		
4.4.4.1	Indicator 1: An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	Occupational Safety and Health Policies and Plans were established and verified to be in accordance with the OSH Act,1994 and FMA 1967 (Act 139). The Plans have been reviewed (annually), up-dated and approved by the respective managers for the estates.	Complied
4.4.4.2	Indicator 2: The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i) all employees involved shall be adequately trained	Safety Policy and HIRARC documented for the estates. The HIRARC was reviewed on 02 Jan 2018. The OSH Programme 2018 include the following: <ul style="list-style-type: none"> • Safety & Health Committee meetings were held quarterly. • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • PPE usage, • MSDS/CSDS, 	



	<p>on safe working practices; and ii) all precautions attached to products shall be properly observed and applied.</p> <p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk Audit and control such as Hazard Identification, Risk Audit and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>	<ul style="list-style-type: none"> • 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 issued in Feb 2015 is still valid and recommendations were verified to have been adhered on-site. Next CHRA assessment scheduled for year 2020.</p> <p>Surveillance programmes for protecting workers' health and safety were satisfactorily implemented.</p> <p>Accident and emergency procedures had been established and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the estate offices and field operations. First Aid Kits were available at worksites. 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> <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 noted to be valid. Records on Lost Time Accident (LTA) metrics and occupational injuries were available and verified to be satisfactorily maintained.</p> <p>The PMU has established the following documented procedures for meeting the regulatory requirements concerning the safe handling, storage and usage of chemicals:</p> <ol style="list-style-type: none"> (1) SOP for the mixing of chemicals. (2) SOP for the storage of chemicals. (3) SOP for pesticides / chemicals spraying. <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>Records on safety training had been verified on the Palm Oil Mill and the Estates.</p> <p>Analysis on the understanding of training on safety by the workers had been verified.</p> <p>Safety & Health Committee meetings were held quarterly to discuss issues on employee's health, safety and welfare. Records of meetings are available and verified to be satisfactory. There is also the mechanism of complaints and grievances.</p> <p>An Observation was raised as follows: At the line-site in Mayvin 1 Estate, a sickle attached to the pole was kept at an elevated position at the rear of the house and not at the designated place of storage.</p>	<p>OBS: CBK-01.</p>
4.4.5	C5: Employment conditions		
4.4.5.1	Indicator 1: The management shall establish policy on good social practices regarding human rights in respect of	The management had established the "Group Sustainable Palm Oil Policy" - http://www.ioigroup.com/Content/S/PDF/	Complied



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	industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.	Sustainable%20Palm%20Oil%20Policy.pdf in Mar 2018, signed by Group CEO, which covered the necessary aspects of human rights related issues. The employees are informed through briefing during muster, at the GCC and ECC meetings. The policy is also displayed at notice boards in the office.	
4.4.5.2	Indicator 2: The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	The management had established the Equal Job Opportunity Policy where the commitments included providing equal opportunities and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. The Policy is available in local languages and English and displayed at the estates' notice boards. Employment records showed that this policy had been implemented and maintained.	Complied
4.4.5.3	Indicator 3: Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	Documentation and conditions of pay for foreign workers hired in the estates are available. Employment agreement with foreign workers, who are mostly Indonesian, stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, insurance coverage, deductions, resignation notice period, company rules. Company procedures require the employment contract to be explained by management to potential migrant workers before contracts are signed. Pay slips are available for verification showed the workers were able to earn living wage that meet the Minimum Wage Order 2016.	Complied
4.4.5.4 Minor	Indicator 4: Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	The management ensured that employees of contractors are paid based on Minimum Wage Order 2016 by monitoring salary payment and interviewing the contractor's employees.	Complied
4.4.5.5	Indicator 5: The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	The management maintained lists of employees that recorded the full names, gender, date of birth, date of entry, wage and period of employment. A brief description of the work that the foreign workers will be performing is written into the employment contract. Full job descriptions are documented for senior positions, such as Managers, Social Liaison Officer, and Safety & Health Officer etc.	Complied
4.4.5.6	Indicator 6: All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.	All employees are provided with employment contracts in accordance with Kontrak Perkerjaan (Seksyen 18 Ordinan Buruh Sabah Bab 67 (Pindaan) 2005). The terms of employment are clearly specified in the contracts, which included position offered, period of employment, salary, overtime rate, rest days every Sundays, rate of pay when working on rest days, days and hours of work, approved deductions, termination of employment, holiday pay, rate of pay when working on holidays, leave pay, sick leave, maternity leave, passage expenses, expatriations of remains and burial arrangement, insurance. The employment contract is signed by the Estate Managers or their Assistants and the employee. Interview with the employees confirmed that they received a copy of the employment contract.	Complied
4.4.5.7	Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent	The management had installed a biometric time recording machine that records the working hours and is linked to the database containing the details of each employee. Data	Complied



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	for both employees and employer.	recorded by the time recording machine are used for calculating the working hours and overtime..	
4.4.5.8	Indicator 8: The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.	The working hours of the employees and overtime rates are specified in the employment contract i.e. 8 hours per day and overtime rates are in accordance with the Sabah Labour Ordinance.	Complied
4.4.5.9	Indicator 9: Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	Pay slips clearly showed the basic pay or piece rate, number of days worked or total output, any allowable deductions and net amount. Any overtime, holiday pay, working on rest days or Sundays or Holidays, when applicable, are also shown on the pay slips.	Complied
4.4.5.10 Minor	Indicator 10: Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.	The employees are offered incentives on output, provided training, access to medical care and other benefits such as free housing, free water supply and free electricity supply. Also offered free education facilities, free childcare and medical services to foreign workers and dependents of local workers.	Complied
4.4.5.11	Indicator 11: In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	<p>Mayvin Grouping is noted to be adhering to 'The Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446)' by providing adequate amenities to their local and foreign workers as well the grouping has provided adequate housing, water supplies, medical, educational and public amenities.</p> <p>Workers are provided with free living quarters constructed of permanent materials that have living rooms, bedrooms, kitchen and toilets. All the houses are supplied with treated water and electricity.</p> <p>The workers are provided with medical, educational and public amenities.</p> <p>An Observation was issued as follows:</p> <p>At Mayvin 1 estate: The linesite and crèche inspections were conducted by the Estate Hospital Assistant. These inspections focused on health and hygiene aspects only. There should be inspections conducted by another personnel of related experience with regards to safety conditions and general state of repair of the buildings or sites.</p> <p>At Mayvin 5 estate: There should be more fire extinguishers made available for the blocks of houses adjacent to the football field.</p> <p>At Tangkulap estate: There were tall grass left unattended next to wooden housing units near the water pond (in use). Risks of fire and pond entry by children should be considered.</p>	OBS: CBK-02
4.4.5.12	Indicator 12: The management shall establish a policy and provide guidelines to prevent all	The management had established the Policy On Prevention And Eradication Of Sexual Harassment In The Workplace. The policy is displayed at the notice board of	Complied



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	forms of sexual harassment and violence at the workplace.	the office and the workers are briefed about the policy during muster and the annual IOI policies briefing to all workers.	
4.4.5.13	Indicator 13: The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	<p>The management had established the Sustainable Palm Oil Policy that included respecting and upholding the rights of all workers. The policy was approved by Group Chief Executive in February 2017. The Equal Opportunity Employment & Freedom of Association Policies dated Oct 2017 signed by Plantation Director also committed the management to respecting the rights of all workers. The published statements of policy which recognises employee's freedom of association, was noted to be available and widely displayed in Bahasa Malaysia.</p> <p>Each of the estates audited had formed the Employees Consultative Committee (ECC) as a mechanism to cater the collective bargaining needs of the workers. The ECC meetings were held every 2 months. Results of ECC meetings were minuted and available for verification. Latest meeting minutes held in Mayvin 1, 5 and Tangkulap estates were in 20 Apr – 12 May 2018. It was verified that each meeting is properly documented and filed complete with photographic evidence. Participants in ECC meetings normally involved workers representatives from different categories of workers such as general workers, sprayers, manurers harvesters, drivers both locals and foreign workers. The meeting minutes are accessible to all workers.</p>	Complied
4.4.5.14	Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.	<p>There was no evidence of any child labour being used at the estates.</p> <p>The Child Labour Policy adopted by estate managements had stated that the minimum age of workers is 18 years. Site inspection of the employment records in all estates confirmed that this has been complied.</p> <p>Inspection of the employment records including site visit to the estates confirmed that this criterion has been complied with.</p>	Complied
4.4.6	C6: Training and competency		
4.4.6.1	Indicator 1: All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular Audit of training needs and documentation, including records of training shall be kept.	<p>Training programme planned for year 2018 includes training for all categories of workers. Appropriate trainings on safe working practices are planned for:</p> <ul style="list-style-type: none"> - workers exposed to machinery - harvesters - pesticides operators - manurers <p>The training programme included the various types of training such as firefighting and fire drill, understanding MSDS/CSDS and first aid training. Trainings were conducted from Jan – July 2018 and evaluations carried out on each of the trainings to determine its effectiveness. Records of training for each employee, including new employees were maintained.</p>	Complied
4.4.6.2	Indicator 2: Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all	<p>A formal training programme on all aspects of MSPO requirements have been established in Apr 2018 and implemented to cover all employees.</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



	employees based on their job description.	The training needs analysis are reviewed annually and discussed in the quarterly Safety and Health meetings.	
4.4.6.3 Minor	Indicator 3: A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	Training programme planned for year 2018 includes training for all categories of workers. The trainings conducted were based on job categories such as: Harvesters: Prosedur Kerja Selamat Memotong dan Mengutip Buah Sawit & PPE training Sprayers: Prosedur Kerja Selamat Menyembur Racun & PPE training. Manurers: Prosedur Kerja Selamat Menabur Baja, PPE Training Other trainings include First Aider training, MSDS/CSDS Training, Prosedur Kerja Selamat dan Panduan Keselamatan.	Complied

P5: Environment, natural resources, biodiversity and ecosystem services

Clause	Requirements	Evidence	Conformity
4.5.1	C1: Environmental management plan		
4.5.1.1	Indicator 1: An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	The Environmental policy was established in Aug 2013 and management plans were developed in accordance with the state laws of Sabah and country laws of Malaysia. It is documented and communicated to all levels of the workforce through briefings and placement of the policy on notice boards. Briefing on the said policy and management plans was conducted in Jan 2018 to all staff and workers.	Complied
4.5.1.2	Indicator 2: The environmental management plan shall cover the following: a) An environmental policy and objectives. b) The aspects and impacts analysis of all operations.	The Environmental Management Plan was reviewed on 08 July 2018 and had included the environmental policy and also the objectives. The Environmental Aspects and Impacts Assessment (EIA) was conducted and documented and noted to have included the management of pests and disease palms (IPM), maintenance of roads, drainage system fertilizing, spraying, transportation of FFB, schedule waste and garbage disposal, accordingly to the local requirements. The EIA report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones. The assessment had also included the relevant stakeholders to identify impacts and develop the mitigation measures such as relevant conservation activities.	Complied
4.5.1.3	Indicator 3: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	The EIA document had also included the development of the Environmental Improvement Plan for the mitigation of negative impacts and promotion of positive impacts. The POME and EFB are delivered/recycled to the plantation for fertiliser and moisture retention purposes. Stacking of fronts was also done effectively. Waste materials (mostly fertilizer bags and plastics) were recycled and recorded in a register book. Buffer zones along streams were demarcated. Maintenance, desilting and clearing of overgrown natural vegetation and debris along the streams in estates was also carried out. The implementation and monitoring of the documented environmental improvement plan were reviewed annually and found to be satisfactorily implemented.	Complied
4.5.1.4	Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.	A Continual Improvement Plan has been developed and implemented for the promotion of positive impacts such as the maintenance of the fencing for the water ponds, electrical fencing along forest borders and signages placed at strategic locations around the estates.	Complied
4.5.1.5	Indicator 5: An awareness and training programme shall be established and implemented to	There were a number of training programmes established and being implemented on the awareness and understanding of the policy and objectives on	Complied



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	ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	environmental management, namely; training on HCV / RTE, buffer zone, spraying, etc. Training records were maintained.	
4.5.1.6	Indicator 6: Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	Regular meetings and discussions or consultation with employees were conducted in relation to environmental quality issues. In addition, on the job briefings were also conducted by the personnel to the workers during every chemical spraying and manuring works and also during the morning roll call, especially when the work to be conducted is at environmentally sensitive areas.	Complied
4.5.2	C2: Efficiency of energy use and use of renewable energy		
4.5.2.1	Indicator 1: Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	Usage of non-renewable energy is monitored monthly. Record on the usage of diesel and electricity is available for review. Monthly records on the consumption were maintained for comparison to optimize the use of the non-renewable energy at the estates.	Complied
4.5.2.2	Indicator 2: The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	Records on the usage of non-renewable energy for machineries involved in the plantation operations were maintained and available. Monthly records on energy consumption, i.e. diesel both for own machinery, transport & field operations including the diesel usage provided to contractors for estate road maintenance, FFB & EFB transportation were monitored and maintained at the estates offices. Data compiled (5 years) for comparison and monitored to optimize efficiency on the use of non-renewable energy. Records maintained had showed proper control of the fuel usage.	Complied
4.5.2.3	Indicator 3: The use of renewable energy should be applied where possible.	At the estates, use of renewable energy is mainly in the use and application of EFB being recycled for mulching purpose.	Complied
4.5.3	C3: Waste management and disposal		
4.5.3.1	Indicator 1: All waste products and sources of pollution shall be identified and documented.	All waste products and sources of pollution were identified and documented. 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. Scheduled Waste identified included: waste lead acid batteries (SW 102), waste containing mercury - electric bulbs (SW 109), electrical and electronic waste (SW 110), spent hydraulic oil (SW 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). Discarded chemicals (SW 429). Records on the inventory as per 2 nd and 5 th Schedules, and disposal were properly recorded and documented.	Complied
4.5.3.2	Indicator 2: A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:	A waste management and disposal plan has been documented and implemented. Segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in all the estates visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates.	



	<p>a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.</p>	<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 available at all the estate visited. The landfills are used mainly for disposal of household/line site waste. Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Management of EFB application plans and progress reports were verified to be satisfactory. Recycling bins of three different colour codes for specific recycle waste were available in the estates and were used for solid waste segregation and recycling.</p> <p>However, a noncompliance finding was issued as follows: Location: 1) Mayvin 1 estate General rubbish and water bottles found scattered at banks of Tawai river (near Water sampling point - WS 3) and also at the nearby Worker Waiting station (which also found an abandoned /scrap wheel barrow).</p> <p>2) Tangkulap estate At water reservoir / pond (in use) area and adjacent worker linesite (which is of wooden make), tall grass (alang) were not attended to and some quantities of 'old' scrap materials were found lying around inside the weeded area.</p>	<p>Major NC: AL-01</p>
4.5.3.3	<p>Indicator 3: The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p>	<p>Standard operating procedure for the handling of used chemicals classified as Scheduled Waste has been developed and adhered to accordingly. Listing of Schedule waste items are reviewed and updated as per Schedule 2 (Regulation 3) EQA. 1974, and inventory records were maintained as per Schedule 5 (Regulation 11).</p> <p>Records on the inventory as per 2nd and 5th Schedules, and disposal were satisfactorily recorded and documented at estates.</p>	<p>Complied</p>
4.5.3.4	<p>Indicator 4: Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p>	<p>Scheduled waste disposal was done using a DOE approved scheduled waste disposal contractor (Lagenda Bumimas Sdn Bhd). Noted last disposal done on 18 July 2018 as per e-Consignment Notes records.</p> <p>Unwanted empty pesticide containers were punctured and disposed of by the licensed contractor handling such schedule waste. Empty pesticide containers is only recycled for the purpose permitted.</p> <p>The estates have a proper Scheduled Waste Store for storing scheduled waste until time of disposal.</p>	<p>Complied</p>
4.5.3.5	<p>Indicator 5: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p>	<p>Use of landfill is being practiced at the estates for the disposal of household waste. The landfill is located far away from settlement and from water courses. The management of the landfill is satisfactorily implemented. The waste disposal plan had adhered to the EQA Reg 24 (Control of pollution from solid wastes Transfer Station and Landfill) Reg 2009. Records of disposal of solid waste were maintained. Location sites for the landfill areas were identified and noted to be secure with proper fencing and signages and weekly monitoring was done. Workers at the landfill activities were trained on EQA Reg 25.</p>	<p>Complied</p>
4.5.4	<p>C4: Reduction of pollution and emission</p>		



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4.5.4.1	Indicator 1: An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	It is verified that all polluting activities were assessed and documented the Environmental Aspect and Impact Assessment (EAlA) conducted and reviewed on 1 Aug 2018. The activities are inclusive of green gas emissions, chemicals, fertilizer, scheduled waste, solid waste and household waste. Data relating to these activities were monitored, collected and analysed on a monthly basis.	Complied
4.5.4.2	Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	The action plan has been established and implementation is ongoing. Improvement actions had included the proper control on consumption of diesel and use of alternative fertilizers and pesticides and reduction of applications at designated buffer zones were noted during the audit.	Complied
4.5.5 C5: Natural water resources			
4.5.5.1	<p>Indicator 1: The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources of supply.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p> <p>c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p>	<p>Water management plan for the Mayvin Grouping estates was documented in Sept 2017 and will be reviewed in Sept next year.</p> <p>The Water Management Plan includes:</p> <ul style="list-style-type: none"> - Identification of water sources such as natural ponds - Water treatment plant. - Water storage and usage for domestic purposes. - Proximity to buffer zone on streams and rivers. - Sewage and septic tanks and sedimentation ponds - Maintenance of oil traps at vehicle workshops - Rainfall data monitoring and rainfall harvesting <p>The supply of treated water for the workers housing / linesites were monitored and quarterly results analysed and made available showed adherence to the limits set by the Ministry of Health (Drinking water index) i.e. bacterial coliform counts, heavy metals etc.</p> <p>It is verified that there were small streams and river tributaries passing at the estates of Mayvin 1, 5 and Tangkulap. Buffer and riparian zones were demarcated to prohibit chemical spraying activities and to allow the regeneration of natural vegetation at the said zones. The Water Quality Index of these small streams and tributaries were monitored twice a year. Water sampling points were also demarcated on the maps and at site. Records on the water quality was made available during the audit. The results of BOD levels for watercourses /streams were checked to be ranging from 2-10mg/l. The results were well below the 20mg/l permissible limit set by DOE, Sabah.</p> <p>Results of analysis were reviewed by the respective Estate Managers.</p> <p>There was no bore wells being used as sources of water were mainly from the natural and dugged water ponds and rainwater harvesting.</p> <p>However a noncompliance was issued as follows:</p> <p>1) Location: Tangkulap estate The laboratory analysis results for the 'treated water' sample taken on 24th April 2018 showed there was 20 cfu of coliform. There was inadequate action taken to ensure that the level of coliform be reduced to non-detectable level.</p> <p>2) Location: Tangkulap and Mayvin 1 estates At the line-sites, two water tanks were installed at the rear of each of the worker houses, with one water tank for storing clean treated water while the other tank was for storing 'harvested rain water'. The two tanks were found to be connected such that the harvested rain water will overflow from its tank to the treated water tank. Hence, there is contamination of the clean treated water.</p>	<p>Major NC: AL-02</p>



		3) Location: Mayvin 5 estate The management of the water pond/reservoir is not adequate i.e. parameter fencing is still in progress, palm fronds are seen uncollected at the edges of the pond and demarcations & markings for buffer to be made at the pond is unclear.	
4.5.5.2	Indicator 2: No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Visits to sites confirm that there was no construction of any structure across waterways that could obstruct or affect the water flows.	Complied
4.5.5.3	Indicator 3: Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).	Rain water harvesting was being practiced at the estates. It is verified that at the estate field roads, road side scruple drains are being done during maintenance to facilitate rain water drainage into the estate fields.	Complied
4.5.6	C6: Status of rare, threatened, or endangered species and high biodiversity value area		
4.5.6.1	Indicator 1: Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.	The HCV and Conservation assessments conducted by the IOI Sustainability Team (Sandakan region) were documented and reviewed at the estates in Aug 2018. Verified that the review had considered all aspects of environmentally sensitive areas such as riparian areas, buffer zones near Forest reserves, water catchments near hills, natural watercourses such as streams, potential wildlife and the perimeter boundaries of estates. HCV and other environmentally sensitive areas were documented and inspected on site. Site visits to the estates confirmed that Mayvin 1 estate is surrounded by palm oil estates along its borders. Mayvin 5 and Tangkulap estates have borders with the Tangkulap Forest Reserves on southern part. Boundaries bordering the forest reserves were well demarcated and electric fencing installed along the forest borders with the Forest Reserves to deter wild elephants from coming into the estates. Conservation areas/environmentally sensitive areas i.e. buffer zones along the stretches of streams which pass through the estates as identified were being monitored.	Complied
4.5.6.2	Indicator 2: If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include: a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.	Regular patrols within the Estates were being carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. The Estate managers who were qualified as Honorary Wildlife Wardens had assisted the Wildlife Department to monitor wildlife that exists within the boundaries of their respective estates. Monitoring and control of any illegal hunting, fishing or collecting activities was also carried out by the patrolling activities conducted and the patrolling and 2 monthly reports to the Wildlife Dept. were available and maintained. Signages that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited and found to have been satisfactorily maintained.	Complied
4.5.6.3	Indicator 3: A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	A management plan was developed, established and effectively implemented. Records of monitoring activities were available and regularly updated.	Complied
4.5.7	C7: Zero burning practices		
4.5.7.1	Indicator 1: Use of fire for waste disposal and for preparing land	IOI Group had observed the policy of 'Zero open burning' for replanting, if any, at the estates.	Complied



	for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	Field inspections made at estates assessed showed no evidence of open burning.	
4.5.7.2	Indicator 2: A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	Confirmed that there were no instances of such issue at present.	Complied
4.5.7.3	Indicator 3: Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	The company practiced a 'No Open Burning' policy. Visit at sites confirmed no such activity took place.	Complied
4.5.7.4	Indicator 4: Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	The guidelines for Good Agricultural Practices (GAP) for Replanting was available at the estates. Previous crops were felled, chipped, shredded and mulched as per the GAP.	Complied

P6: Best practices

Clause	Requirements	Evidence	Conformity
4.6.1	C1: Site management		
4.6.1.1	Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	Documents on SOP had been maintained at the Estates audited which were verified to be in order. The estates have the following SOPs: 1. Group SOP for Estate Operation. The SOP describes operational procedure for oil palm DxP seed production, planting density, pre-nursery seedlings, land clearing & preparation, oil palm planting technique, leguminous cover plant, fertilizer application for immature & mature palms, weeding, integrated management of rat control, bagworm control, road maintenance, workshop, harvesting, buffalo healthcare, etc. 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. Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.	Complied
4.6.1.2	Indicator 2: Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	Planting terraces were constructed on land with slope more than 10°. Terraces constructed had included proper stop bunds which were verified on the estates during field visits. It was observed during field visits that there was no planting at slopes of greater than 25°. The PMU has a SOP (Best Management Practices) for erosion control during replanting or any activities involving earth disturbance. Steps were taken for erosion control included soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways. There was no apparent soil erosion observed during the field inspections. Leguminous cover crop, <i>macuna bracteata</i> was well established at the replanted field blocks.	Complied
4.6.1.3	Indicator 3: A visual identification or reference	Field Block Maps with Block nos. and planting year has been established at each field at the estates audited.	Complied



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	system shall be established for each field.		
4.6.2	C2: Economic and financial viability plan		
4.6.2.1	Indicator 1: A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	<p>The 5-year Business Management Plan (FY 2017/2018 to FY 2022/2023) for the respective Estates audited were documented and reviewed.</p> <p>The Annual Budget for each year include the following:</p> <ol style="list-style-type: none"> 1) Staff and Labour requirements; 2) Crop projection; FFB yield/ha trends; 3) Cost of Production; Cost/mt FFB trends; 4) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.); 5) Budget for Environmental, Social, Safety & Health, Training and Promotions. <p>The Estate Managers have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).</p> <p>Records of monitoring of costs against budget to achieve specified targets were verified to be available.</p> <p>Performances are discussed in the monthly meetings held at POM office and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the Regional GM with copy to IOI HQ at Putrajaya.</p>	Complied
4.6.2.2	Indicator 2: Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	<p>Annual replanting program had been prepared up to 2026/2027 for the estates. A replanting cycle of 25 years has been adopted by the group.</p> <p>The replanting status at the estates audited are as follows:</p> <p>Mayvin 1: PR19A: Re-planting in 2019 to 2022 (all palms are in 2nd cycle) (598 Ha), PR19B: Replanting in 2019 (all palms are in 2nd cycle) (181 Ha)</p> <p>Mayvin 5: Replanting in 2018/2019 to 2022/2023 (187 Ha – 330 ha annually, all palms are in 2nd cycle)</p> <p>Tangkalap: Replanting in 2019, Div. Pertama (205 ha).</p> <p>Yearly review was performed and actual replanting is still subject to approval from the IOI Group HQ.</p>	Complied
4.6.2.3	Indicator 3: The business or management plan may contain: a) Attention to quality of planting materials and FFB. b) Crop projection: site yield potential, age profile, FFB yield trends. c) Cost of production: cost per tonne of FFB. d) Price forecast. e) Financial indicators: cost benefit, discounted cash flow, return on investment.	<p>The 5-year Business Management Plan (FY 2017/2018 to FY 2022/2023) for the estates was documented and reviewed.</p> <p>The Annual Budget for each year include the following:</p> <ol style="list-style-type: none"> 1) Staff and Labour requirements; 2) Crop projection; FFB yield/ha trends; 3) Re-planting materials Clonal, DxP 4) Cost of Production; Cost/mt FFB trends; 5) Cost of Production; Cost/MT FFB forecast; 6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.); 7) Budget for Environmental, Social, Safety & Health, Training and Promotions. <p>The Estate Managers have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).</p> <p>Records of monitoring of costs against budget to achieve specified targets were verified to be available.</p>	Complied



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4.6.2.4	Indicator 4: The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	Performances are discussed in the monthly meetings held at the POM office 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. Monthly, quarterly, half-yearly and yearly reports are submitted to the IOI HQ at Putrajaya.	Complied
4.6.3	C3: Transparent and fair price dealing		
4.6.3.1	Indicator 1: Pricing mechanisms for the products and other services shall be documented and effectively implemented.	All of the fresh fruit bunches (FFB) supplied to the mill are from IOI's owned estates. The pricing for FFB mechanism was available at the Mayvin POM.	Complied
4.6.3.2	Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	Based on contracts agreed between contractors/service providers and the estates, it is evident that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Interview with parties concerned confirmed that business practices with local businesses were conducted in a fair and transparent manner. It is further verified that payments to contractors and other service providers are paid within the period specified in the contract agreement.	Complied
4.6.4	C4: Contractor		
4.6.4.1	Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	External contractors are FFB/ EFB Transporting companies whose workers were provided MSPO awareness during group briefing on 24 July 2018. The contractors workers were interviewed and basically do understand the MSPO requirements. Information such as policies and procedures are provided.	Complied
4.6.4.2	Indicator 2: The management shall provide evidence of agreed contracts with the contractor.	Contract agreements are signed between the respective Estate Managers and the Contractor. The terms and conditions of the contract are explained to the contractor. A copy of the contract is given to the contractor.	Complied
4.6.4.3	Indicator 3: The management shall accept MSPO approved auditors to verify Audits through a physical inspection if required.	Acceptance is confirmed by the Management prior to the audit via acceptance of Audit contract and Audit Plan and the 5-year MSPO certification programme.	Complied
4.6.4.4	Indicator 4: The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the Audit of the contractor for each task and season contracted.	There are no contractors used for plantation operations except for FFB and EFB transportation which is monitored by the respective Estate management.	Complied

P7: Development of new plantings

Clause	Requirements	Evidence	Conformity
4.7.1	C1: High biodiversity value		
4.7.1.1	Indicator 1: Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.	The oil palm plantations had been established since the 1980s. Verified that there was no development of any new plantings at the Mayvin Grouping estates.	Not applicable.
4.7.1.2	Indicator 2: No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or	Not applicable.	Not applicable.



	replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.		
4.7.2	C2: Peat land		
4.7.2.1	Indicator 1: New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	Not applicable.	Not applicable.
4.7.3	C3: Social and Environmental Impact Audit (SEIA)		
4.7.3.1	Indicator 1: A comprehensive and participatory social and environmental impact Audit shall be conducted prior to establishing new plantings or operations.	Not applicable.	Not applicable.
4.7.3.2	Indicator 2: SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.	Not applicable.	Not applicable.
4.7.3.3	Indicator 3: The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.	Not applicable.	Not applicable.
4.7.3.4	Indicator 4: Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.	Not applicable.	Not applicable.
4.7.4	C4: Soil and topographic information		
4.7.4.1	Indicator 1: Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.	Not applicable.	Not Applicable
4.7.4.2	Indicator 2: Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.	Not applicable.	Not Applicable
4.7.5	C5: Planting on steep terrain, marginal and fragile soils		
4.7.5.1	Indicator 1: Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	Not applicable.	Not Applicable
4.7.5.2	Indicator 2: Where planting on fragile and marginal soils is proposed, plans shall be	Not applicable.	Not Applicable



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	developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.		
4.7.5.3	Indicator 3: Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	Not applicable.	Not Applicable
4.7.6	C6: Customary land		
4.7.6.1	Indicator 1: No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	Not applicable.	Not Applicable
4.7.6.2	Indicator 2: Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	Not Applicable	Not Applicable
4.7.6.3	Indicator 3: Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.	Not Applicable	Not Applicable
4.7.6.4	Indicator 4: The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	Not Applicable	Not Applicable
4.7.6.5	Indicator 5: Identification and Audit of legal and recognised customary rights shall be documented.	Not Applicable	Not Applicable
4.7.6.6	Indicator 6: A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	Not Applicable	Not Applicable
4.7.6.7	Indicator 7: The process and outcome of any compensation claims shall be documented and made publicly available.	Not Applicable	Not Applicable
4.7.6.8	Indicator 8: Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.	Not Applicable	Not Applicable



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

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

Audit Type	Year	Noncompliance (NC)	Observations (OBS)	Follow up status
Initial Audit / Stage 2	2018	3 Major	2	Next Surveillance Assessment

3.2.1 Year 2018: 3 Major NCs

NC#	MSPO Indicator	Details of NC
Major: CBK-01	4.3.1.1 MS 2530-3 Estates	Date issued: 9 August 2018
		Requirement:
		Indicator 1: All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.
		Statement of Noncompliance:
		Location: Mayvin 5 Estate The passport and work permit of a foreign worker was not available at time of audit.
		Root Cause and Corrective Action(s): by Auditee Representative
		Root cause: The estate management has taken action to submit the foreign worker's name to Human Resource Department for further perusal on legalization purpose. However, up until the assessment period, there was no announcement made from the state government on legalization programme thus making the worker's employment status remain as pending legalized. The Human Resource Department was only notified by the work agency on the announcement of the 'Program Pemutihan' by the state government on earlier September 2018 but the details of it was yet to be published.
		Corrective Action: 1. During the auditor happen to visit to the linesite, the mentioned foreign worker is not working since he has instill an intention of to leave the estate to go back to his home country but he haven't do so because he have to wait for his previous month salary to cater for his travelling expenses including his family. After he received his salary, he had officially tendered his resignation letter to the company. The worker's name was then removed from the registered employment data after the company's acceptance of the worker's resignation letter. 2. To provide the statement of information from the work agency regarding the announcement of the 'Program Pemutihan' by the state government.
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		MAJOR NC: On-site / Off-site Verification on date: --- Dec 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: - Revised Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. [] No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment



	<p>Minor NC: N.A</p> <p>On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:-</p> <p><input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by AL & CBK</td> <td>Date closed: Dec 2018</td> </tr> </table>	NC status verified by auditor: Closed by AL & CBK	Date closed: Dec 2018
NC status verified by auditor: Closed by AL & CBK	Date closed: Dec 2018		
	Verification of effectiveness: Next Assessment		
	<table border="1"> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -		

NC#	MSPO Indicator	Details of NC
Major: AL-01	4.5.3.2 MS 2530-3 Estates	Date issued: 9 August 2018
		Requirement:
		Indicator 2: A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.
		Statement of Noncompliance:
		Location: 1) Mayvin 1 estate General rubbish and water bottles found scattered at banks of Tawai river (near Water sampling point - WS 3) and also at the nearby Worker Waiting station (which also found an abandoned /scrap wheel barrow). 2) Tangkulap estate At water reservoir / pond (in use) area and adjacent worker linesite (which is of wooden make), tall grass (alang) were not attended to and some quantities of 'old' scrap materials were found lying around inside the weeded area.
		Root Cause and Corrective Action(s): by Auditee Representative



	<p>Root cause:</p> <p>Issue #1)</p> <ol style="list-style-type: none"> 1. Rubbish were washed out from the neighbouring estate by the strong river flow due to heavy rain and scattered by own estates workers as well. 2. Workers neglect their responsibility for general field cleanliness as there was no facility provided at the worker waiting station to ease the disposal of rubbish produced. <p>Issue #2)</p> <ol style="list-style-type: none"> 1. The worker linesite (which is of wooden make) was actually a staff quarters and the adjacent area was not covered by the Estate Hospital Assistant (EHA) during the weekly linesite inspection since focus only made on the cleanliness located within perimeter distance of the house. Patrolling at water reservoir/ pond (in use) area by patrollers was also carried out but does not stated these irregularities found for the attention of the management. <p>Corrective Action:</p> <p>Issue #1)</p> <ol style="list-style-type: none"> 1. To held a meeting with the neighbouring estate for information on related issue and suggestion of mitigation & preventive measure regarding waste management. 2. To install a rubbish trap at a specific point at Tawai River which connect to the adjacent neighbouring estate. Periodic patrolling to be carried out to inspect on any irregularities. 3. To put up clean empty fertilizer bag at main field block entrance to instil awareness of proper rubbish disposal. In addition, to install the no littering of rubbish signage at strategic point at field block area. 4. Briefing regarding cleanliness and no scattering of rubbish will be conducted to workers for awareness. <p>Issue #2)</p> <ol style="list-style-type: none"> 1. To immediately conduct maintenance and clearing of the area affected with tall grass (lalang) and some quantities of 'old' scrap materials found lying inside the weeded area adjacent to the worker linesite (which is of wooden make). 2. Briefing to EHA on the monitoring and linesite inspection to be carried out. 3. Re-training of the patrolling procedure will be carried out. <p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>MAJOR NC: On-site / Off-site Verification on date: --- Dec 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: - Revised Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p>
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	<p>Minor NC: N.A</p> <p>On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:-</p> <p><input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by AL</td> <td>Date closed: Dec 2018</td> </tr> </table>	NC status verified by auditor: Closed by AL	Date closed: Dec 2018
NC status verified by auditor: Closed by AL	Date closed: Dec 2018		
	Verification of effectiveness: Next Assessment		
	<table border="1"> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -		

NC#	MSPo Indicator	Details of NC
Major: AL-02	4.5.5.1 MS 2530-3 Estates	Date issued: 9 August 2018
		Requirement:
		Indicator 1: The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water).
		Statement of Noncompliance:
		<p>1) Location: Tangkulap estate The laboratory analysis results for the 'treated water' sample taken on 24th April 2018 showed there was 20 cfu of coliform. There was inadequate action taken to ensure that the level of coliform be reduced to non-detectable level.</p> <p>2) Location: Tangkulap and Mayvin 1 estates At the line-sites, two water tanks were installed at the rear of each of the worker houses, with one water tank for storing clean treated water while the other tank was for storing 'harvested rain water'. The two tanks were found to be connected such that the harvested rain water will overflow from its tank to the treated water tank. Hence, there is contamination of the clean treated water.</p> <p>3) Location: Mayvin 5 estate The management of the water pond/reservoir is not adequate i.e. parameter fencing is still in progress, palm fronds are seen uncollected at the edges of the pond and demarcations & markings for buffer to be made at the pond is unclear.</p>
Root Cause and Corrective Action(s): by Auditee Representative		



	<p>Root cause:</p> <p>Issue #1)</p> <ol style="list-style-type: none"> 1. The responsible Environmental Liaison Officer was not fully aware on the needs to prepare such action plan due to unavailability of a proper water sampling guideline which may instruct to do so should any water sampling result exceeded the desired parameter. <p>Issue #2)</p> <ol style="list-style-type: none"> 1. Workers are provided with the 2 tanks facility to ease them to have enough supplied treated water however they themselves had modified the tank connection to harvest rain water which they believed is clean to consume. <p>Issue #3)</p> <ol style="list-style-type: none"> 1. Heavy rain occur few days before the assessment conducted at Mayvin 5 Estate which made the reservoir pond water level to increase up to the palm stand. This causes the palm fronds drifted through when the water level start decreasing and left behind on the edges of the reservoir pond bank. 2. The pegging and buffer demarcation are available but couldn't be seen clearly since they were erected in distance. The auditor might not sighted them all during visit as only one point visited. <p>Corrective Action:</p> <p>Issue #1)</p> <ol style="list-style-type: none"> 1. Proper water sampling procedure guideline will be established and training on its content will be carried out for understanding. <p>Issue #2)</p> <ol style="list-style-type: none"> 1. Technical separation of the modified interconnected pipe will be carried out in stages to ensure only treated water goes into the kitchen pipe. The harvested rain water will still can be considered for other purposes other than cooking. 2. Briefing to workers to improve their knowledge regarding the difference between treated water and rain water. <p>Issue #3)</p> <ol style="list-style-type: none"> 1. To immediately remove the scattered palm fronds from the reservoir pond. To prevent from recurrence, the nearest palm to the reservoir pond bank was also removed. 2. Number of demarcation pole will be added with distance reduced one from another. 3. Current parameter fence only point out at the treatment plant area. Whole parameter fencing to the reservoir pond will be impractical since workers housing are located quite a distance away from it. Only authorized persons with consent/ supervision are allowed to be working at the station. <p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>
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	<p>MAJOR NC: On-site / Off-site Verification on date: --- Dec 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: - Revised Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p>
	<p>Minor NC: N.A On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:- <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>
	<p>NC status verified by auditor: Closed by AL Date closed: Dec 2018</p>
	<p>Verification of effectiveness: Next Assessment</p>
	<p>NC status verified by auditor: - Date verified: -</p>

3.2.3 Year 2018: Initial Audit / Stage 2: 2 Observations

Ref # :	MSPO Indicator	Details of Observation	Status		
			Opened date	Closed date	Remarks (if any)
OBS: CBK-01	4.4.4.2 MS 2530-3 Estates	<p>Location: Mayvin 1 Estate At the line-site, a sickle attached to the pole was kept at an elevated position at the rear of the house and not at the designated place of storage.</p> <p>Location: Mayvin 5 Estate During interview and inspection at site with a spraying gang, it was noted that Panadol tablets were found inside the First Aid Kit kept by the Mandore.</p>	9 August 2018	Next Assessment	
OBS: CBK-02	4.4.5.11 MS 2530-3 Estates	<p>Location: Mayvin 1 estate The linesite and crèche inspections were conducted by the Estate Hospital Assistant. These inspections were focused on health and hygiene aspects only. There should be inspections conducted by another personnel of related experience, with regards to safety conditions and general state of repair of the buildings or sites.</p> <p>Location: Mayvin 5 estate There should be more fire extinguishers made available for the</p>	9 August 2018	Next Assessment	



		<p>blocks of houses adjacent to the football field. Location: Tangkulap estate There were tall grass left unattended next to wooden housing units near the water pond (in use). Risks of fire and pond entry by children should be considered.</p>			
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3.2.4 Identified Positive Elements

- 1) The company has continued to maintain and carried out CSR activities such as financial funding for education, social and religious activities.
- 2) The company has continued to maintain and implement the safety measures and pollution prevention programs and activities.
- 3) The company provide employment opportunities for the local community and other youths.

3.2.5 Feedback Raised by Stakeholders: Year 2018

Communication done via email on 3 July 2018 to various categories of stakeholders (see list under para 2.5):

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



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<p>3) To have annual Emergency response training conducted by the Bomba personnel to ensure the ERT team is better prepared in any emergency situations. Positive feedbacks mentioned: Road conditions to Mill & Estates are generally well maintained. PPE are seen to be worn by workers at the mill and estates.</p>	<p>3) Management will try to engage of the services of Bomba personnel in future ERT exercises.</p>		
<p>Workers and Local Communities - Interviewed: Interviews of sampled staff and workers were also conducted by the auditors during field visits from: 6-9 Aug 2018 at the PMU: Staff/Workers sampling: POM = 9 males, 8 females Estate Offices = 16 males, 12 females Field/sites visit = 20 males, 31 females 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 AUDIT CONCLUSION AND RECOMMENDATION

Based on the findings above, IOI Mayvin Grouping had been able to demonstrate its compliance with the **MSPO MS 2530-3:2013 Standard for the Oil Palm Plantation**.

Therefore, it is recommended that the certification of Mayvin Oil Palm Estates Grouping be approved.

Signed for and on behalf of
Intertek Certification International Sdn Bhd

A handwritten signature in black ink, appearing to be 'Augustine Loh', with a long horizontal stroke extending to the right.

Augustine Loh
Lead Assessor
Date: 21 Dec 2018

4.1 Acknowledgement of Internal Responsibility and Confirmation of Audit Findings

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

Signed for and on behalf of
IOI Plantation Services Sdn Bhd

Mr Leang Hon Wai
General Manager (Sandakan Region)
Date: 24 Dec 2018



4.2 INTERTEK – MSPO Certificate details for the Mayvin Oil Palm Estates Grouping

Certificate No:	MSPO 006B
Start date:	28 December 2018
Expiry date (5 years):	27 December 2023
Organisation	IOI Corporation Berhad
Address of Head Office:	Level 28, IOI City Tower 2, Lebuhr IRC, IOI Resort City, 62502, Putrajaya, Malaysia
Name of Estates	As per Table A (below)
Address of Estates	As per Table A (below)
MPOB License Nos.	As per Table B (below)
Standards	MSPO MS 2530-3:2013 for the Oil Palm Plantations
Certification scope:	Production of Fresh Fruit Bunches (FFB)

Table A: Details of the Estates covered by this certificate are:

Name	Address	GPS Reference		Mature OP/ Production - ha	Certified / Titled area - ha
		Latitude	Longitude		
Mayvin Palm Oil Mill: Mayvin Incorporated Sdn Bhd Capacity (60 MT/hr.)	Mayvin Incorporated Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	5°33.329' N	117°13.532' E	-	-
Mayvin 1 Estate	Sri Mayvin Plantation Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	5°34.910' N	117°13.277' E	1,289	1,610.00
Mayvin 2 Estate	Sri Mayvin Plantation Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	5°33.522' N	117°13.377' E	994	1,812.81
Mayvin 5 Estate	Gamore Corporation Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	5°28.577' N	117°20.408' E	1,586	1,765.18
Mayvin 6 Estate	Gamore Corporation Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	5°28.656' N	117°22.581' E	1,683	1,836.82
Tangkalap Estate	Palmco Plantations (Sabah) Sdn Bhd, Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.	5°30.162' N	117°15.154' E	1,726	2,277.45

Table B: The MPOB Licenses and FFB annual tonnages produced at the Estates are detailed as follows:

Estate name	Legal Entity Name & MPOB Licence No	FFB Annual Tonnages (MT)
Mayvin 1 Estate	Mayvin Incorporated Sdn Bhd License No: 500271304000	29,570
Mayvin 2 Estate	Sri Mayvin Plantation Sdn Bhd License No: 508801402000	23,190
Mayvin 5 Estate	Sri Mayvin Plantation Sdn Bhd License No: 508801402000	42,620
Mayvin 6 Estate	Gamore Corporation Sdn Bhd License No: 502715502000	48,840
Tangkalap Estate	Gamore Corporation Sdn Bhd: License No: 502715502000	37,100
	Total	181,320



APPENDIX A:

Qualifications of Lead Auditor and Audit Team

Mr. Augustine Loh (AL) – 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 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 is a PORLA Licensed Surveyor / Inspector. 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 agriculture and 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 a Lead Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

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

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

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

Mr. Ahmad Kamal Shahabuddin (AK) – Assessor / Technical Expert

(Good Agriculture Practice, Integrated Pest Management, Safety and Health)
– Diploma in Industrial Chemistry

Mr. Ahmad Kamal has more than 25 years working experience in the oil palm plantations and mill operations, agriculture, safety and health related field. He was attached to the Malaysian Palm Oil Board since 1979 until his retirement from MPOB in 2011. He was a Lead Auditor for the MPOB CoP certification for Palm Oil companies since 2014. He has successfully completed the RSPO Supply Chain Certification Lead assessor course in 2015 and the MSPO Lead Auditor course in 2017. He has good on-field knowledge in the Palm Oil sector such as industry fundamentals on good agricultural practices (GAP), best management practices (BMP), sustainability, social and OHS issues (e.g. worker welfare issues and social matters such as employment terms, gender issues, worker welfare etc.) environmental matters (e.g. pollution control, conservation of resources). He has conducted training for growers and smallholders organised by MPOB for MSPO certifications. He is a member of the RSPO CB Assessment team which audited several RSPO and MSPO certified mills and plantation management units since 2015.



Appendix B:

Audit Plan (Actual) – POM and Estates Grouping audited simultaneously

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
6 August 2018 (Day 1)	8.00 am – 11.00 am	Travel to Mayvin (POM) Office		
	11.00 am – 11.30 am	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	11.30 am – 1.00 pm	Document Review and Audit by Auditors on respective MSPO Principles: P1 to P6 for POM / Estates & P7 (Estates)		
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm – 5.00 pm	AL	CBK	AK
		Site Audit at Mill P1 Management Commitment P2 Transparency P3 Compliance to Legal requirements P5 Environment, natural resources, biodiversity and ecosystem services	Site Audit at Mill P1 Management Commitment P3 Compliance to Legal requirements P4 Social responsibility, health, safety and employment condition	Site Audit at Mill P1 Management Commitment P3 Compliance to Legal requirements P6 Best Practices
		Verification of effectiveness of corrective actions for non-conformances (previous audit – if applicable)		
	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		
7 August 2018 (Day 2)	8.30 am – 12.30pm	AL	CBK	AK
		Site Audit at Estate 1 P1 Management Commitment P2 Transparency P3 Compliance to Legal requirements P5 Environment, natural resources, biodiversity and ecosystem services	Site Audit at Estate 1 P1 Management Commitment P3 Compliance to Legal requirements P4 Social responsibility, health, safety and employment condition	Site Audit at Estate 1 P1 Management Commitment P3 Compliance to Legal requirements P6 Best Practices P7 New Plantings (if any)
	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		

Date	Time	Assessors and Assessment Activity		
8 August 2018 (Day 3)	8.30 am – 12.30pm	AL	CBK	AK
		Site Audit at Estate 2 P1 Management Commitment P2 Transparency P3 Compliance to Legal requirements	Site Audit at Estate 2 P1 Management Commitment P3 Compliance to Legal requirements	Site Audit at Estate 2 P1 Management Commitment P3 Compliance to Legal requirements P6 Best Practices



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		P5 Environment, natural resources, biodiversity and ecosystem services	P4 Social responsibility, health, safety and employment condition	P7 New Plantings (if any)
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Site Audit at Estate 3 P1 Management Commitment P2 Transparency P3 Compliance to Legal requirements P5 Environment, natural resources, biodiversity and ecosystem services	Site Audit at Estate 3 P1 Management Commitment P3 Compliance to Legal requirements P4 Social responsibility, health, safety and employment condition	Site Audit at Estate 3 P1 Management Commitment P3 Compliance to Legal requirements P6 Best Practices P7 New Plantings (if any)
	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		
9 August 2018 (Day 4)	8.30 am – 12.30 am	AL	CBK	AK
		Site assessment at Palm Oil Mill P1 Management commitment and responsibility P2 Transparency P3 Compliance to legal requirements	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below – subject to availability): Contractors Suppliers Transporters NGOs Government Department / Agencies Local Community Settlers, in the case of independent and organized smallholders. Notes 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 prior to the audit. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement.	
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 3.00 pm	Preparation for Closing Meeting		
	3.00 pm – 4.30 pm	Team Meeting and Discussions with POM Management Representative		
	4.30 pm – 5.30 pm	Closing Meeting & Briefing at Palm Oil Mill Office		
	5.30 pm onwards	Travel back to Hotel & Break		

Date	Time	Assessors and Audit Activity		
10 August 2018	8.30 am – onwards	AL	CBK	AK
		Travel and flight back to Kuala Lumpur		

Appendix: Audit Team Competency Matrix (Audit Areas)

MSPO Principles	Areas	Auditors (A) / Technical Experts (TE)		
		AL (LA/TE)	CBK (A/TE)	AK (A/TE)



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P1	Management Commitment and Responsibility	√	√	√
P2	Transparency	√		
P3	Compliance to Legal requirements	√	√	√
P4	Social responsibility, health, safety and employment condition	√	√	
P5	Environment, natural resources, biodiversity and ecosystem services	√		
P6	Best Practices at POM / Estates	√	√	√
P7	New Plantings	√		√

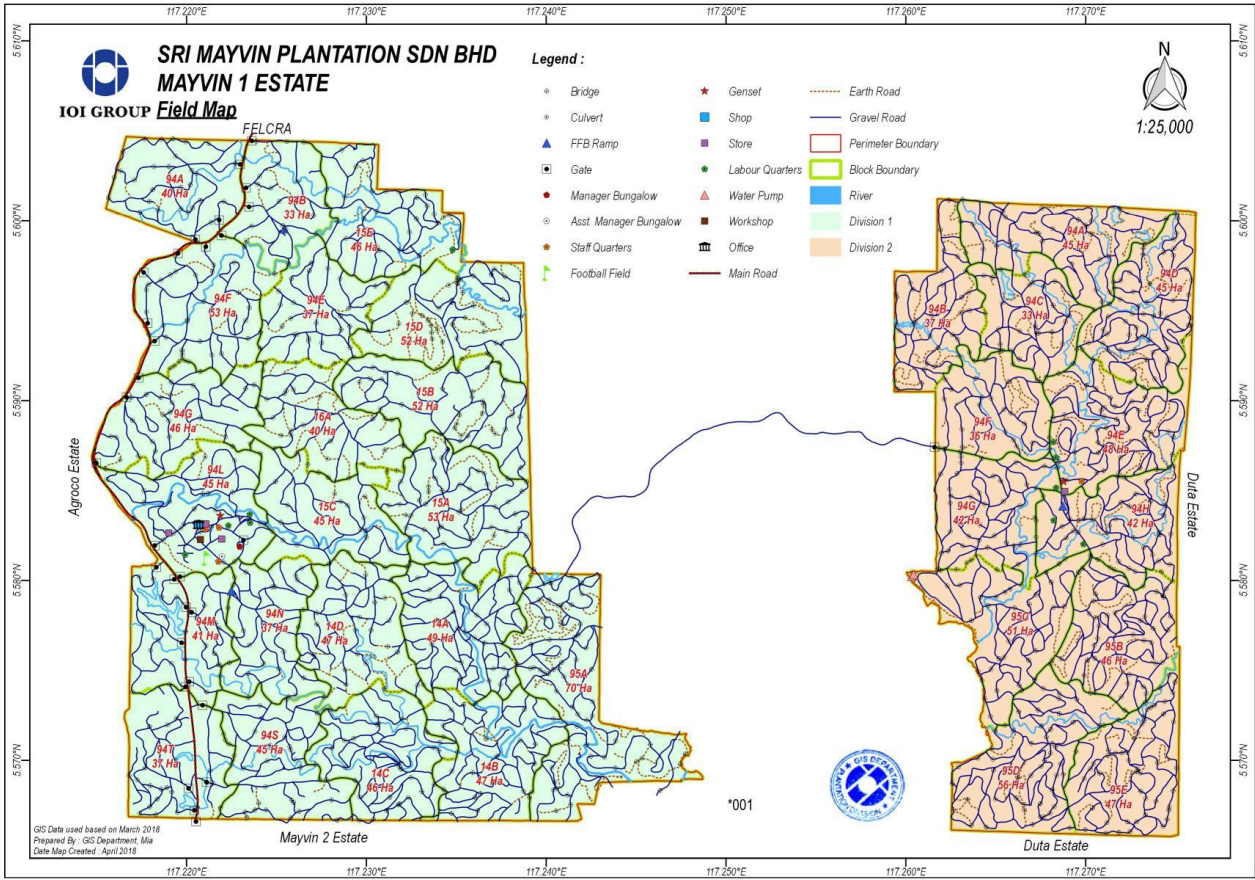


**Appendix C-1:
Location Map of IOI Mayvin Grouping – Sandakan, Sabah**



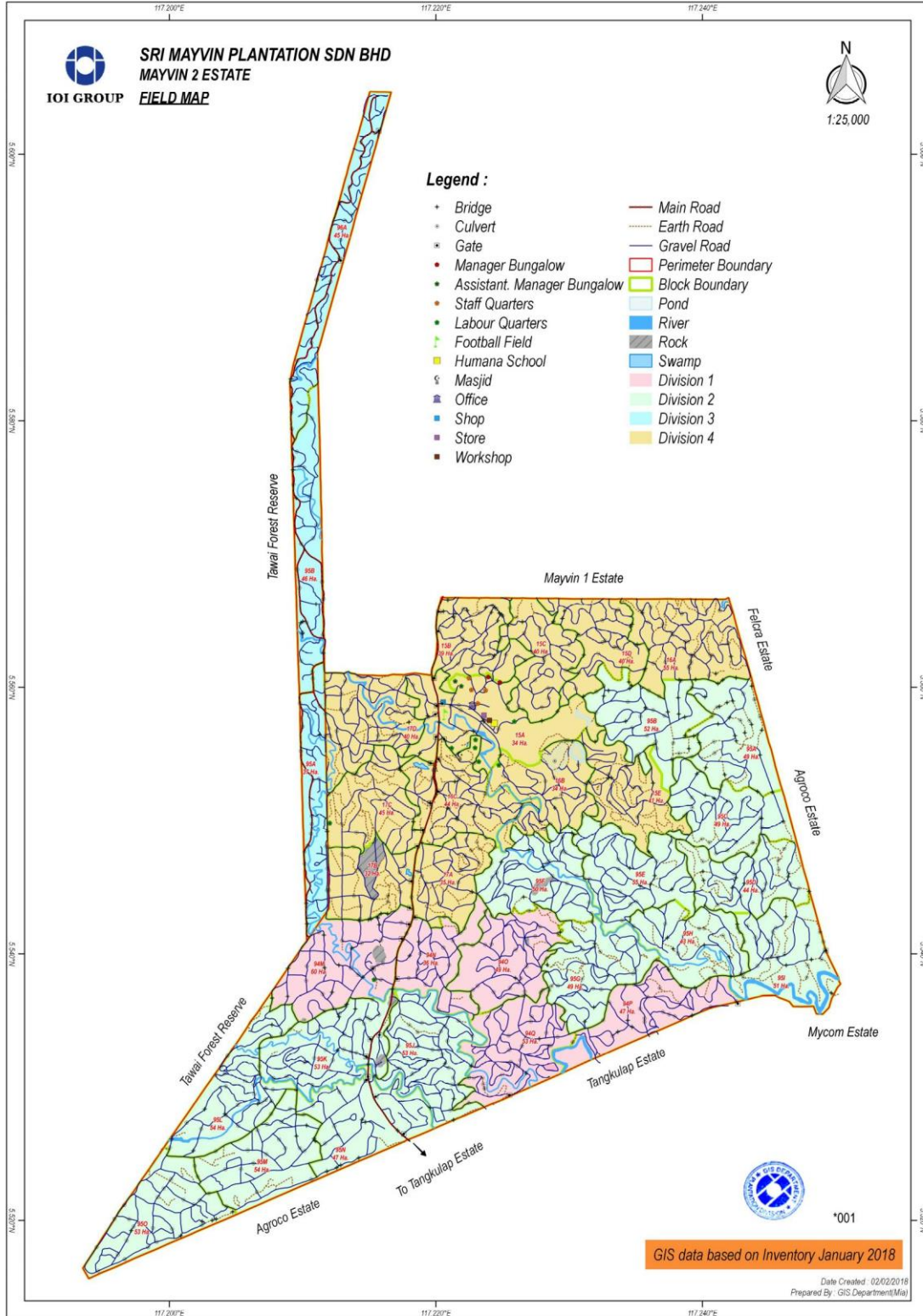


Appendix C-2-1:
Map of Mayvin 1 Estate



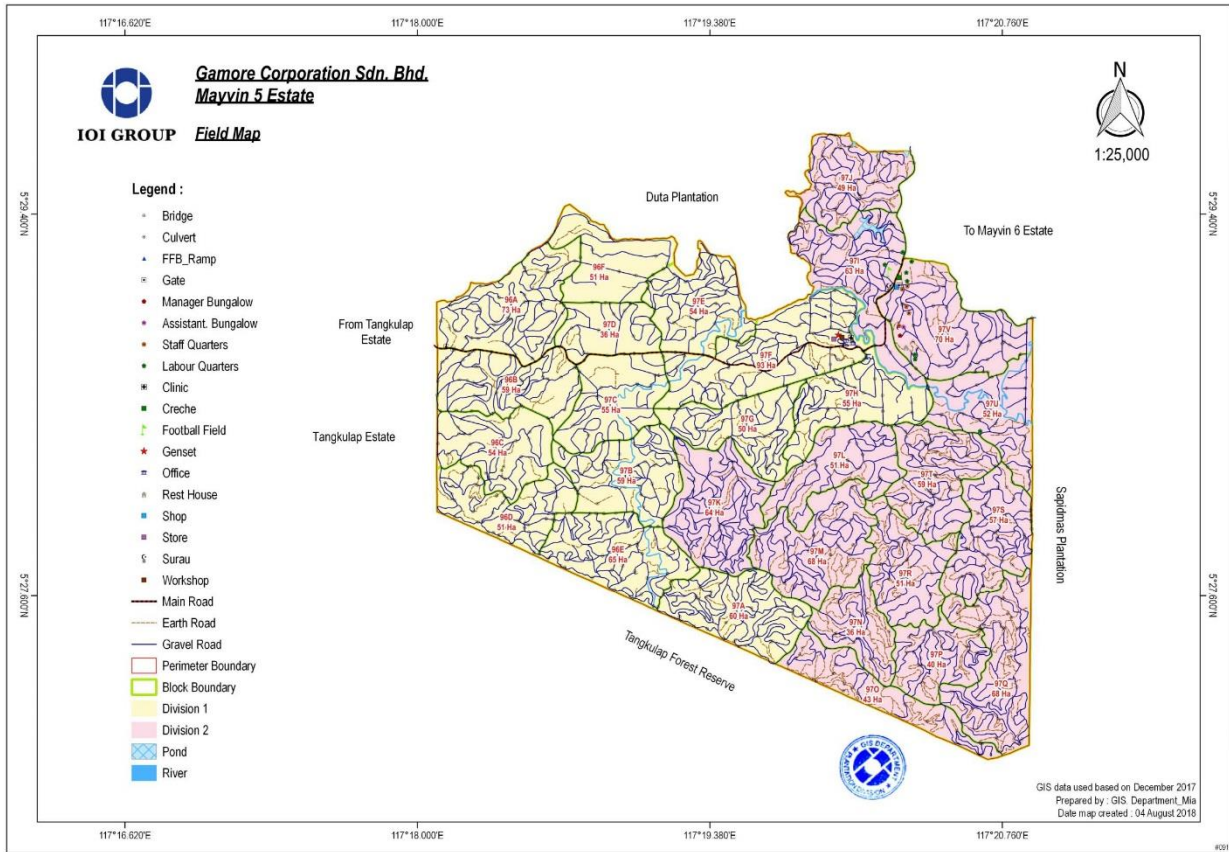


Appendix C-2-2:
 Map of Mayvin 2 Estate



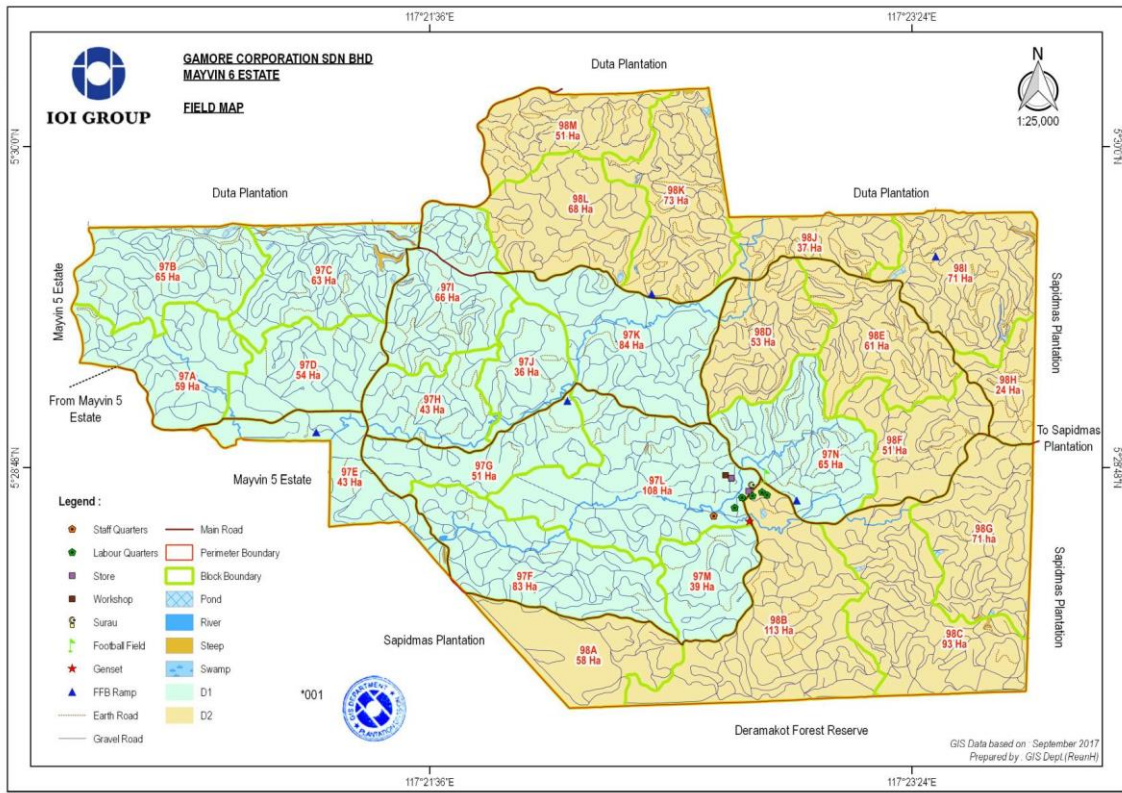


Appendix C-2-3:
Map of Mayvin 5 Estate





Appendix C-2-4:
Map of Mayvin 6 Estate





APPENDIX C-2-5:
 Map of Tangkulap Estate

