

**MSPO CERTIFICATION  
INITIAL AUDIT  
SUMMARY REPORT**

**IOI CORPORATION BERHAD  
Mayvin Incorporated Sdn Bhd  
(Mayvin Oil Palm)  
Sandakan, Sabah, Malaysia**

<b>Certificate No:</b>	<b>INTERTEK MSPO 006 A</b>
Start date:	28 December 2018
Expiry date:	27 December 2023
<b>Audit Type</b>	<b>Audit Dates</b>
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 Palm Oil Mill 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 Palm Oil Mills (MSPO MS 2530-4: 2013)**.

The Mayvin Palm Oil Mill is registered under Mayvin Incorporated Sdn Bhd and the FFB supply base are made up of estates 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 (Capacity: 60 MT/hr)	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
<b>Total:</b>	<b>9,302.26</b>	<b>8,426</b>

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 1<sup>st</sup> and 2<sup>nd</sup> 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 <sup>st</sup> Cycle	852	0	852
	2014, 2015, 2016, 2018	2 <sup>nd</sup> Cycle	437	200	637
		s-total	1,289		
Mayvin 2 Estate	1995, 1996	1 <sup>st</sup> Cycle	800	0	800
	2015, 2016, 2017, 2018	2 <sup>nd</sup> Cycle	194	614	808
		s-total	994		
Mayvin 5 Estate	1996, 1997	1 <sup>st</sup> Cycle	1,586	0	1,586
	-	-	-	-	-
		s-total	1,586		
Mayvin 6 Estate	1997, 1998	1 <sup>st</sup> Cycle	1,683	0	1,683
	-	-	-	-	-
		s-total	1,683		
Tangkalap Estate	1994	1 <sup>st</sup> Cycle	239	0	239
	2013, 2014, 2015, 2017	2 <sup>nd</sup> Cycle	1,487	334	1,821
		s-total	1,726		
<b>G-Total</b>			<b>7,278</b>	<b>1,148</b>	<b>8,426</b>

#### 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	<b>Oil Palm - Planted Area (ha)</b>	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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<b>2</b>	<b>Conservation Area (ha)</b>	<b>477.76</b>
	- Conservation (forested)	6.43
	- Conservation (non-forested)	471.33
	Note: Conservation areas comprise of unplanted steep / hilly and swampy and other unplatable areas.	
<b>3</b>	<b>HCV Area (ha)</b>	
	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:  
Dr. Raymond Alfred  
Sustainability Coordinator,  
IOI Corporation Berhad  
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Lebuh IRC, IOI Resort City,  
62502, Putrajaya, Malaysia  
Tel: 603-89478888  
Fax: 603-89478988  
Email: raymond.alfred@ioigroup.com

At Mayvin Grouping - PMU:  
Mr. Leang Hon Wai  
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
	<b>Grand total:</b>	<b>187,460.96</b>		

Note: FBB 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	-	-
<b>Total</b>	<b>162,323.29</b>	<b>100.00</b>	<b>187,460.96</b>	<b>100.00</b>	<b>181,320</b>	<b>100.00</b>

\*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		<b>181,320</b>	
Total CPO Production (MT)	35,838.56	OER: 22.08%	40,472.38	OER: 21.59%	<b>39,889</b>	OER: 22.00%
Total PK Production (MT)	8,345.52	KER: 5.14%	10,129.77	KER: 5.40%	<b>9,519</b>	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





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## 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.



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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 Incorporated Sdn Bhd (Mayvin Palm Oil Mill)	
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 also documented its MSPO Policy in March 2018 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 on the commitment to continual improvement with the objective of improving the milling operation.	The policy had also clearly stated the company's commitment which included continual improvement in the overall aspects of mill management and community development. Mill has carried out environmental impact assessment (EIA) as per the guidelines stated in the EIA Assessment. Management action plans & continuous improvement plans dated 1/8/2018 Sighted the training program and records for all workers on Sustainability and MSPO requirement with commitment to continual improvement	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 at least out once a year to determine the status of the MSPO implementation and to identify the potential areas for continual improvement.	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.	The Internal Audit Procedure SOP 8 Issue 1 Rev 0 (17/02/2018) was available. Internal Audit was conducted by Mr. Hasrin and team from SPO Dept. on 18 April.2018 as evident in Internal Audit Summary. Two (2) findings were observed and sighted with actions taken by the Mill Manager Mr. Wilfred Moikong to close the findings as seen in the audit report. 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 reviewed was conducted 7 May 2018 title "Ulasan Menganai Audit Dalaman Pensijilan MSPO": Date : 7 May 2018, Attendance : 15 persons Place : Mayvin Mill Conference room This is 1 <sup>st</sup> year for MSPO audit. The mill has conducted management review as per planned intervals (annually). All details of internal audit were reviewed during the management review and appropriate actions for improvement were planned and implemented.	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	There were action plans for the Continual Improvement being implemented and monitored. The planned are progressively implemented continual improvement activities in the POM dated 1 Aug 2018 include:	Complied



	impact and opportunities of the company.	<ul style="list-style-type: none"> <li>- Construction of Biogas Power Plant</li> <li>- Reduce/recycle waste &amp; pollution</li> <li>- Reduce cost production per ton FFB</li> <li>- Increase work opportunity</li> <li>- Construction of apron at diesel filling station to avoid leakage and spillage to the ground during filling</li> <li>- Reduce / Recycle waste and pollution.</li> </ul> <p>The action plans include measurable objectives/targets in order to determine the effectiveness of the outcomes.</p>	
4.1.4.2	Indicator 2: The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.	<p>Meetings and consultations were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company. Presently, the POM has budgeted for the construction of a Biogas plant for Power generation for usage at POM and nearby estates and housing quarters.</p> <p>As per audit, sighted training records for mill workers on various topics that enhance continuous improvement of mill performance.</p>	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.	<p>The IOI's Group consultation and communication procedures are available via website link: <a href="http://www.ioigroup.com/corporateresponsibility/environment_plantation.cfm">http://www.ioigroup.com/corporateresponsibility/environment_plantation.cfm</a></p> <p>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.</p>	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.	<p>Management documents such as Policies, Stakeholder consultation processes, Financial Annual Reports are available upon request and at the IOI website: <a href="http://www.ioigroup.com/Content/S/S_Policy">http://www.ioigroup.com/Content/S/S_Policy</a></p> <p>Any commercially confidential information will need special request before being provided.</p>	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.	<p>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 &amp; Health Committees (SHC).</p>	Complied
Minor	Indicator 2: A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	<p>Mill Manager is 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.</p>	Complied
Minor	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.	<p>The lists of stakeholders are adequately maintained and kept current. The lists of stakeholders were used for inviting external stakeholders during external stakeholders' consultation.</p> <p>Records of consultation and communication included attendance lists, minutes of the meetings, photographs of the meetings and meeting notes.</p> <p>Minutes of meetings had noted deliberation of the issues raised and recommendations of actions to be taken and the follow-up.</p>	Complied



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4.2.3	C3: Traceability		
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 Minor	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. Organization Charts and job responsibilities of employees (Mill Manager, Assistant Managers, 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 storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.	All records of FFB 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 office. Records of CPO processed and PK, delivered out were maintained and verified to be traceable. The POM has 6 CPO storage tanks and 1 PK storage silo.	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 Register covering the applicable local and international laws and regulations is available at the mill and estates and was verified to be reviewed for the POM and estates on 4 Jan 2018 for any relevant updates.</p> <p>The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage &amp; storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.</p> <ul style="list-style-type: none"> <li>Levy and other deductions have been taken with the consent of the workers in accordance with the Sabah Labour Ordinance (Chapter 67). 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.</li> <li>Licenses and permits (License for Trading, License for Employment of Foreign Workers, Workers Wages Deduction Permit, Domestic and Consumer Permit for Keeping Diesel, Petrol &amp; Fertilizer, MPOB license, DOSH (Department of Occupational Safety and Health) Certificates, DOE (Department of Environment Permit, etc.) were renewed and evidenced to be valid.</li> <li>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.</li> </ul>	Complied



		<ul style="list-style-type: none"> <li>• Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</li> <li>• Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.</li> <li>• Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</li> <li>• Valid licenses for authorized gas tester (ACT), authorized entrant and standby by person for confined space activities in POM.</li> <li>• Occupational Health and Safety Act 1994 – safety and health meetings conducted at quarterly intervals.</li> <li>• Factories and Machinery (Noise Exposure) (Regulations) 1989 was adhered. Noise Monitoring Report is available dated 26 May 2018</li> <li>• Annual Audiometric testing of workers exposed to high noise levels were done on 29 May 2018. No workers found with hearing impairments.</li> <li>• Ear plugs and mufflers were issued and worn by the workers during site inspection. Baseline audiogram and occupational and medical history records of the workers were available and noted to be maintained.</li> <li>• Legal documents of foreign workers (including work permits and passports) are renewed and valid. Insurance coverage is maintained and available for foreign workers in the estates.</li> <li>• Land Assessment and statutory returns to relevant authorities found to be in compliance such as the Quarterly Return Form as per First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977.</li> </ul> <p>Based on the site observations, interviews and records checked, there was evidence of compliance with the relevant laws, regulations, local and international laws at the POM and estates.        There were no cases of any violation or actions imposed by relevant authorities.</p>	
4.3.1.2	Indicator 2: The management shall list all laws applicable to their operations in a legal requirements register.	The Legal Register covering the applicable local and international laws and regulations is available at the mill was verified to be reviewed for the POM on 1 July 2018 by Mill Management.	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.	The documented system for identifying, determining, reviewing and updating applicable legal and other requirements has been satisfactorily implemented. All relevant updates are noted and communicated on 8 July 2018. Listing of laws and regulations monitored with updated changes included the 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.	Complied



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4.3.1.4 Minor	Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Tracking of regulatory requirements and communication of changes is performed by PIC Mr. Freddy Kwan Wai Ming. Sighted appointment letter dated 2 May 2018 with the duty and responsibility Monitoring of compliance is done by the Environment, Safety & Health (ESH) Manager and Sustainability Team who are based on site. The mechanism of tracking the law changes as identified from the group HQ, would be distributed to the POMs and all the Estates via email.	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.	Land title for mill is available and is built within Mayvin 2 estate area. Sighted mill land title. No: CL – 085312563. POM is a plot with 203.80 Ha. The copy of land titles are kept in the mill office and sighted during the audit. Evidence of annual payment of land tax to the state government is available in the form of receipts. Communities surrounding the Mill / estates are able to move freely without any issues or problems. Verified during site inspection that no such limitations had occurred.	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.	Copies of the land titles of POM and 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. Land title for mill is available and is built within Mayvin 2 estate area. Sighted mill land title. No: CL – 085312563. POM is a plot with 203.80 Ha. The copy of land titles are kept in the mill office and sighted during the audit. Evidence of annual payment of land tax to the state government is available in the form of receipts The legal use of the land confirmed to be for Mill operations. There were no recorded or known disputes over the ownership of the land.	Complied
4.3.2.3	Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	As the mill is built within Mayvin 2 estate, mill have permanent fence separates mill and estate area. On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estate.	Complied
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 POM and estate 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 POM and estate 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 POM / estate were available and maintained.	Complied





		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.	
4.3.3.3	Indicator 3: Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	The POM and estate are operating in legally titled lands which are not encumbered by customary rights.	Complied

**P4: Social responsibility, health, safety and employment condition**

Clause	Requirements	Evidence	Conformity
4.4.1	C1: Social impact Audit (SIA)		
4.4.1.1 Minor	Indicator 1: Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	Social Impact Audit report and Management Plans at the POM were documented by the Sustainability Team, dated 3 <sup>rd</sup> August 2018. The plans included monitoring of negative impacts and enhancement of positive ones. 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)" [ <a href="http://www.ioigroup.com/Content/CI/PDF/Corp_WhistleblowingPolicy.pdf">www.ioigroup.com/Content/CI/PDF/Corp_WhistleblowingPolicy.pdf</a> ] 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 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.	Complied
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.	Employees and affected stakeholders can make complaints by recording in the Complaints & Grievance Book kept at the Mill office. 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		



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4.4.3.1 Minor	Indicator 1: Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.	Main contribution of the mill to the local development was demonstrated in the provision of facilities and monetary contributions, where feasible. The management also contributed school bags for school children attending the HUMANA school.	Complied
4.4.4 C4: Employees safety and health			
4.4.4.1	Indicator 1: An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) 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). Annual review was conducted by the Group Safety & Environmental Manager (Sabah region) together with the respective Safety Officers for POM and estates. Safety & Health Policy and HIRAC documented was reviewed for the POM. Training programs were planned and conducted for all groups of workers, both admin and field. Training records were maintained. Verified through interviews done with workers that they do have adequate understanding of the Safety and Health issues on PPE usage, MSDS/CSDS, First Aid and Emergency Response. Inspections (line site, fire extinguisher, first aid box, chemical store, ELCB, PPE checklist, Vehicle daily inspection, generator set maintenance, ramp inspection, bridge and tanks inspection), Monthly Safety inspection and audit was done by the Safety Officer. Verified that the records available were satisfactorily maintained.	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 chemicals used at the palm oil mill: i) all employees involved are adequately trained on safe working practices; and ii) all precautions attached to products should be properly observed and applied. 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 assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating	Safety Policy and HIRARC documented at the POM. The HIRARC was reviewed on 02 Jan 2018. The OSH Programme 2018 include the following: 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, 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, CHRA report issued in Apr 2015 is still valid and recommendations were verified to have been adhered on-site. Next CHRA assessment scheduled for year 2020. Surveillance programmes for protecting workers' health and safety were satisfactorily implemented. Accident and emergency procedures had been established and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the offices and operations. First Aid Kits were available at worksites.	Complied



	<p>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 shall 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 that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be 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 shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>	<p>Records on all accidents had been verified to be maintained satisfactorily.</p> <p>Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, &amp; Health (ESH) committee.</p> <p>Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with MSIG insurance noted to be valid.</p> <p>Records on Lost Time Accident (LTA) metrics and occupational injuries were available and verified to be satisfactorily maintained.</p> <p>The POM has established the following documented procedures for meeting the regulatory requirements concerning the safe handling, storage and usage of chemicals:</p> <p>(1) SOP for the mixing of chemicals. (2) SOP for the storage of chemicals.</p> <p>The Safety &amp; Health Officer is in charge of safety and health planning, operation &amp; coordination. Mill &amp; Assistant Mill Managers are also directly involved.</p> <p>Records on safety training had been verified on the Palm Oil Mill.</p> <p>Analysis on the understanding of training on safety by the workers had been verified.</p> <p>Safety &amp; 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 maintained.</p> <p>Safety audits for determining compliance with the minimum standards on all types of PPE used were conducted and records maintained.</p>	
4.4.5	C5: Employment conditions		
4.4.5.1	<p>Indicator 1: The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p>	<p>The management had established the "Group Sustainable Palm Oil Policy" - <a href="http://www.ioigroup.com/Content/S/PDF/Sustainable%20Palm%20Oil%20Policy.pdf">http://www.ioigroup.com/Content/S/PDF/Sustainable%20Palm%20Oil%20Policy.pdf</a> in Mar 2018, signed by Group CEO, which covered the necessary aspects of human rights related issues.</p> <p>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.</p>	Complied
4.4.5.2	<p>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.</p>	<p>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.</p> <p>The Policy is available in local languages and English and displayed at the estates' notice boards.</p> <p>Employment records showed that this policy had been implemented and maintained.</p>	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 both local and foreign workers hired in the Mill 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. The documents were available in both English and Bahasa Malaysia language. Company procedures require the employment contract to be explained by management to potential migrant workers before contracts are signed. This was noted to be done with by a senior foreign worker representative who acted as an interpreter for the new foreign works. Pay slips are available for verification showed the workers were able to earn living wage that meet the Minimum Wage Order (revised regulation July 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 (revised July 2016) by monitoring salary payment and interviewing the contractor's employees. Copies of recent payslips of contractors' lorry drivers & other workers retained at the POM office, were made available and confirmed that the agreed payments were properly implemented.	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. Employment contracts are signed by the Mill Manager and witnessed by his Assistant 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 for both employees and employer.	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 recorded by the time recording machine are used for calculating the working hours and overtime.	Complied
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	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



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	agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.		
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. Monthly 'Guest market'-Tamu is organised for easy gathering and shopping for the 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.	The Mill had provided adequate amenities to their local and foreign workers by adequately providing housing, water supplies, medical, educational and public amenities. Workers were provided 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. The workers were provided with medical, educational and basic public amenities.	Complied
4.4.5.12	Indicator 12: The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.	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 the office and the workers are briefed about the policy during muster and the annual IOI policies briefing to all workers.	Complied
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.	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. The POM 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 on 16 Apr 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 office staff, general workers and drivers both locals and foreign workers. The meeting minutes are accessible to all workers.	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.	Employees and workers profile, that included date of birth, maintained by the mill showed that there was no underage worker employed. The Sustainability Palm Oil Policy adopted by IOI Group stated that there will not be any child labour. The list of workers maintained at the estate offices showed there was no worker aged under 18 years old.	Complied



4.4.6	C6: Training and competency		
4.4.6.1	Indicator 1: All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.	<p>Training programme planned for year 2018 includes training for all categories of workers.</p> <p>Appropriate trainings on safe working practices are planned for:</p> <ul style="list-style-type: none"> <li>- workers exposed to machinery and high noise levels</li> <li>- workers working in confined spaces</li> </ul> <p>The training programme included the various types of training such as firefighting and fire drill, understanding MSDS/CSDS, first aid training, proper wearing of PPE at high noise level areas and confined spaces.</p> <p>Trainings were conducted from Jan – July 2018 and evaluations carried out on each of the trainings to determine its effectiveness.</p> <p>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 employees based on their job description.	<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> <p>The training needs analysis are reviewed annually and discussed in the quarterly Safety and Health meetings.</p>	Complied
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.	<p>Training programme planned for year 2018 includes training for all categories of workers.</p> <p>The trainings conducted were based on job categories and work stations. Sampled trainings and records include those at Grading Station, Loading Ramp Station, Threshing Station, Boiler Station etc.</p> <p>Other trainings include First Aider training, MSDS/CSDS Training, Prosedur Kerja Selamat dan Panduan Keselamatan.</p>	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 which shall be in line with the relevant country and state environmental laws shall be established, 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 on 6 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 (EMP) was reviewed on 08 July 2018 and had included the environmental policy and also the objectives which was approved by the Mill Manager. The environmental policy, objectives and the aspects/impacts analysis on all Mill operations was included in the document.	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, implemented and monitored.	The EMP developed had also included the action plans and recommendations to mitigate the negative effects such as air, water and soil pollution and to promote the positive ones (such as paper and plastic recycling) as applicable to the POM. Implementation of plans on pollution reduction and recycling was progressively done and monitored.	Complied
4.5.1.4 Minor	Indicator 4: A programme to promote the positive impacts	The reviewed EIA had also considered the mitigation of negative impacts and promotion of positive ones and	Complied



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	should be included in the continual improvement plan.	translated into programmes and implemented. The implementation and monitoring of the documented environmental improvement plan were reviewed annually and found to be satisfactorily implemented.	
4.5.1.5	Indicator 5: An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives and management plans and are working towards achieving the objectives.	Verified that the documented training programme had been established. Briefing on the awareness and understanding of the objectives on EMP were done in 8 Jan 2018. Understanding is confirmed during interviews done with sampled workers during audit.	
4.5.1.6	Indicator 6: Management shall organize regular meetings with workers where concerns of 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 Mill Management personnel to the workers.	Complied
4.5.2	<b>C2: Efficiency of energy use and use of renewable energy</b>		
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 energy consumption for non-renewable fuel (diesel) were maintained at the POM. Data compiled (5 years) for comparison and monitored to optimize the use of non-renewable energy. Records available were verified and showed satisfactory monitoring of the resources.	Complied
4.5.2.2	Indicator 2: Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.	Record on the usage of non-renewable energy for machineries involved in the plantation operation is available. Monthly records on energy consumption for both renewable fuel (Palm fiber and PK shell) and non-renewable fuel (diesel) were maintained at the POM. Data compiled (5 years) for comparison and monitored to optimize the use of renewable energy. Data recorded had showed satisfactory monitoring of the energy consumption.	Complied
4.5.2.3 Minor	Indicator 3: The use of renewable energy should be applied where possible.	The POM has been using part of the EFB, FFB mesocarp fibers and shells in the boiler operations for power generation and supply. This has helped to reduce the consumption of diesel. The ratio of fibre and shell usage was basically at 70:30 basis. A Biogas plant is being planned for construction in 2019 to improve the use of renewable sources of energy.	Complied
4.5.3	<b>C3: Waste management and disposal</b>		
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	Complied



		inventory as per 2 <sup>nd</sup> and 5 <sup>th</sup> Schedules, and disposal were properly recorded and documented.	
4.5.3.2	Indicator 2: A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.	The waste management and disposal plan were in place at the POM. It has been documented and implemented as required and is being carried out responsibly and satisfactorily. Segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory practiced in the mill. Proper storage areas were identified for the storage of the recyclable wastes at the POM. Records on the usage and disposal were well recorded and documented at the mill. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be properly maintained at the POM. The solid waste management and disposal plan using landfills was also available. Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Recycling bins of three different colour codes for specific recycle waste were available in the POM and were used for solid waste segregation and recycling.	Complied
4.5.3.3	Indicator 3: The palm oil mill 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. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.	At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned and according to the legal requirements. 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). Records on the inventory as per 2 <sup>nd</sup> and 5 <sup>th</sup> Schedules, and disposal were satisfactorily recorded.  The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Records of e-Consignments are in order. Latest disposal was done on 18 July 2018 and handled by Lagenda Bumimas Sdn Bhd.	Complied
4.5.3.4 Minor	Indicator 4: Domestic waste should be disposed as such to minimise the risk of contamination of the environment and watercourse.	Domestic waste at line site was disposed using the designated landfill at the nearest estate i.e. Mayvin 2 estate. The landfill is located far away from settlement and from water courses. The management of the landfill was inspected and found to be 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).	Complied
4.5.4	C4: Reduction of pollution and emission including greenhouse gas		
4.5.4.1	Indicator 1: An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.	Monthly records on energy consumption for both renewable fuel (Palm fiber and PK shell) and non-renewable fuel (diesel) were maintained at the POM. Data compiled (5 years) for comparison and monitored to optimize the use of renewable energy. POME ponds were monitored and Geotubes were used to help filter effluents solids. Environmental internal audits were conducted by Sustainability Team. The most recent MSPO internal audit held in July 2018 had indicated that there were evidence of proper monitoring e.g. solid waste - landfill management, water pollution - water sampling and testing, water treatment for drinking purposes.	Complied





		Level of Greenhouse gases (GHG) emissions are monitored on yearly basis through the GHG calculation methodology accepted for RSPO and ISCC GHG calculations and certifications which are achieved and valid. Internal audit reports and GHG emissions are satisfactorily done and monitored.	
4.5.4.2	Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	POM air emissions were monitored online by DOE, Sandakan using the Continuous Emissions Monitoring System (CEMS) and it is verified to be within the permissible limits of DOE. POME treatment, monitoring and land application were monitored, maintained and adhered to DOE regulations. Land application of POME was channelled to nearest estate. A Biogas plant is being planned for construction in 2019 to improve the use of renewable sources of energy and to reduce GHG emissions.	Complied
4.5.4.3	Indicator 3: Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.	The POME are treated using the multiple ponding system which are monitored and Geotubes were used to help filter effluents solids as approved by the DOE. Verified that the aerobic and anaerobic ponds (total of 8 nos) are satisfactorily maintained. Water samples were regularly taken monthly and tested by POM environment officer in charge and analysed to ensure compliance to DOE requirements at the final discharge point. The discharged water is 100% used for land application into the nearest POM estate. Records are maintained and verified on-site to have met the permissible regulatory limits (e.g. BOD < 50 ppm).	Complied
4.5.5	C5: Natural water resources		
4.5.5.1	Indicator 1: The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimise water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc).	Water Management Plans for the POM was reviewed on 2 Aug 2018. Action plans has been identified and implemented accordingly. The water management plan had included the source of water and how it is being treated for mill and domestic use, their usage monitored and recorded. Internal audits and monitoring of water quality repots was done as follows: 1) Water quality analysis at Final discharge point of POM effluent pond done on monthly basis. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements. BOD levels had been in the range of 5.5 to 32.9 ppm for the period Jul 2017 to Jun 2018. The current allowable upper limit specified by D.O.E. Sabah for Mayvin PMU is 50 ppm (max). Water analysis results are maintained and verified to be adhering to the DOE permissible limits.  2) Treated Drinking Water quality done every six months.  Water usage in the mill from Jul 2017 to Jun 2018 ranged from 0.67 to 1.05 m <sup>3</sup> /tonne FFB with an average of 0.87 m <sup>3</sup> /tonne FFB which is within the industrial norm of 1.2 m <sup>3</sup> to 1.5 m <sup>3</sup> /tonne FFB.	Complied
4.5.5.2	Indicator 2: Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.	The POME at the final treatment pond was channelled for land application at the nearest POM estate. No discharging to any water course was practised.	Complied



**P6: Best practices**

Clause	Requirements	Evidence	Conformity
4.6.1	C1: Mill management		
4.6.1.1	Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	<p>POM has documented StOPs for its operations. The procedures included the following :            Palm Oil Mill Operation from reception of FFB, Operations for Laboratory, Polishing Plant, Water Treatment Plant, Boiler, Engine room, Workshops etc. for the processing until the delivery of processed oil and POME management. This was revised i.e. Doc No IOI/StOP/A on 01 July 2017 (Issue 02).            Quality, Environmental and Occupational Health &amp; Safety Manual and Procedures of Palm Oil Mill - The SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling.            Procedure for Safe Work and Management of Safety and Health for Workers - The SOP for safe working practices in the POM includes hazards identification, risk Audit and control measures. The hazards include noise, chemicals, heat, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training, etc. and “permit to work system” for the mill.</p> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	Complied
4.6.1.2	Indicator 2: All palm oil mills shall implement best practices.	<p>The POM had adhered to their StOPs and best management practices.            Best Management Practices (BMP) implemented include Water Management, Monitoring of Emissions – Discharges &amp; Pollution , Monitoring of Safety &amp; Health of Workers, Water Ponds for Domestic &amp; Recreational purposes</p>	Complied
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 2021/2022) for the POM was documented and reviewed.            The Annual Budget for each year include the following:            Staff and Labour requirements; Staff - 18 , Workers - 60 , Exec : 5            Crop projection; FFB yield/ha trends;            Mill extraction rates; OER trends;            Cost of Production; Cost/mt FFB trends;            Cost of Production; Cost/MT CPO trends;            Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.).            Budget for Environmental, Social, Safety &amp; Health, Training and Promotions.            The Mill and Estate Managers have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).            Records of monitoring of costs against budget to achieve specified targets were verified to be available.            Performances are discussed in the monthly meetings held at the MU 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 Regional GM –Mr. NB Sudhakaran</p>	Complied



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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 own 5 estates. No FFB price displayed at the office as the FFB is from own estates	Complied
4.6.3.2	Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.	Based on contracts agreed between contractors/service providers and POM, 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. Sighted one contract agreement : CPO Transport Agreement between Mayvin Incorporated Sdn Bhd (Co. No 282843-K) ( Mayvin POM ) and Juita Baru Sdn Bhd (Cp. No. 244758-D) dated 15 <sup>th</sup> .May 2018 Sighted the agreement contract is attached with MSPO requirement signed by Mill manager dated 19/1/2018 and Contractor Chris HYY dated 15/1/2018 Payment date: 30/6/2018, Invoice No: T18/06/018 with amount correctly paid. The contract agreement is attached with the MSPO requirement which the contractor has to adhere before start works.	Complied
4.6.4	C4: Contractor		
4.6.4.1	Indicator 1: In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	During external stakeholder's consultations and during training, the contractors are made to understand MSPO requirements. Information such as policies and procedures are provided. Monitoring records on Road Tax, Driving license and Insurances is available. Checks done on sample basis verified that the licenses and insurance coverage were still valid. Sighted training for contractor "Latihan Contractor" dated 15/5/2018. Conducted by En. Freddy Kwan Wai Ming (Asst. Mill Mayvin POM, with pictures).	Complied
4.6.4.2	Indicator 2: The management shall provide evidence of agreed contracts with the contractor.	Contract agreements are signed between the Mill Manager and the contractor. The terms and conditions of the contract are explained to the contractor. A copy of the contract is given to the contractors. Sighted in the contract the MSPO requirement which the contractor have to agree before performing the work task	Complied
4.6.4.3 Minor	Indicator 3: The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.	Acceptance was obtained from the IOI Management. The acceptance was provided via signing by IOI Management on the Contract of Agreement for the MSPO Audit and confirmation of the Audit Plan & Auditors, before the actual audit.	Complied

**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	Nil	Nil	Next Surveillance Assessment

**3.2.1 Year 2018: Initial Audit / Stage 2 - Nil NC**



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


Ref # :	MSPO Indicator	Details of Observation	Status		
			Opened date	Closed date	Remarks (if any)
-	-	-			

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 5 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><b>Government Agencies:</b>            Feedback received from Jabatan Alam Sekitar, Sandakan (DOE) dated 7 August 2018: Mayvin POM is reminded to fully implement the 7 Environmental Monitoring Tools (EMT). Vehicle servicing workshops are reminded to adhere to DOE, Schedule Waste Reg.2005.</p> 	<p>Mayvin operating unit will adhere to all DOE requirements. Ongoing consultations with DOE and other Govt. Agencies will be maintained.</p>	<p>Verified during on-site assessment the DOE requirements were implemented. Follow up on any changes to DOE requirements will be done in the next audit</p>	
<p><b>Non-Governmental Organizations:</b>            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><b>Local Communities - Stakeholders' Consultation:</b>            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:</p>	<p>The PMU will further communicate and to address the concerns as follows:</p>		



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<p>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.</p> <p>2) Checks needed on overloading of the FFB trucks as some appear to have high stacking on their vehicles.</p> <p>3) To have annual Emergency response training conducted by the Bomba personnel to ensure the ERT team is better prepared in any emergency situations.</p> <p>Positive feedbacks mentioned: Road conditions to Mill &amp; Estates are generally well maintained. PPE are seen to be worn by workers at the mill and estates.</p>	<p>1) Management to review and consider the appropriate actions needed to ensure wearing of helmets by bikers.</p> <p>2) Mill management will continue monitoring to ensure no overloading of FFB by transporters.</p> <p>3) Management will try to engage of the services of Bomba personnel in future ERT exercises.</p>	<p>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.</p> <p>Further monitoring will be followed up during the next audit.</p>	
<p><b>Workers and Local Communities - Interviewed:</b></p> <p>Interviews of sampled staff and workers were also conducted by the auditors during field visits from: 6-9 Aug 2018 at the PMU:</p> <p>Staff/Workers sampling: POM = 9 males, 8 females Estate Offices = 16 males, 12 females Field/sites visit = 20 males, 31 females</p> <p>No issues raised by the sampled staff and workers.</p>	<p>No response needed.</p>	<p>No response needed.</p>	
<p><b>Other Interested parties:</b> No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	



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#### 4.0 AUDIT CONCLUSION AND RECOMMENDATION

Based on the findings above, **IOI Mayvin Palm Oil Mill** had been able to demonstrate its compliance with the **MSPO MS 2530-4:2013 Standard for the Oil Palm Plantation**.

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

Signed for and on behalf of  
Intertek Certification International Sdn Bhd

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 Mayvin Palm Oil Mill

Certificate No:	<b>MSPO 006A</b>
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 POM	Mayvin Incorporated Sdn Bhd
Address of POM	Mile 75, Sandakan/ Telupid Road, WDT No. 164, 90009, Sandakan, Sabah, Malaysia.
MPOB License No.	500271304000
Standards	MSPO MS 2530-4:2013 for the Palm Oil Mill
Certification scope:	<b>Production of Crude Palm Oil and Palm Kernel</b>

Table A: Details of the POM and FFB supplying 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 annual tonnages produced at the POM are detailed as follows:

Mayvin POM	Annual Tonnages (MT)
FFB	<b>181,320</b>
CPO	<b>39,889</b>
PK	<b>9,519</b>



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



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

